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IRAQ: STATUS AND PROSPECTS FOR RECONSTRUCTION—RESOURCES

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BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

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TUESDAY, JULY 29, 2003

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:33 a.m., in room SH–216, Hart Senate Office Building, Hon. Richard G. Lugar (chairman of the committee), presiding.

Present: Senators Lugar, Hagel, Chafee, Allen, Brownback, Voinovich, Coleman, Biden, Dodd, Feingold, Boxer, Bill Nelson, Rockefeller and Corzine.

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee is called to order. We are awaiting the completion of our witness panel. In the interest of time, I will give my opening statement. We will then call upon the distinguished ranking member to give his.

We know that our hearing may be interrupted by rollcall votes on the energy bill that will be proceeding on the Senate floor. We want to utilize each moment for our witnesses and for Senators who will have questions of the witnesses.

It is our pleasure today to welcome back Deputy Secretary of Defense Paul Wolfowitz, accompanied by General John Keane, Acting U.S. Army Chief of Staff, and to welcome for the first time before the Senate Foreign Relations Committee Joshua Bolten, the new Director of the Office of Management Budget.

Today the committee will continue its examination of Iraq reconstruction and how sufficient resources can be provided to ensure that we achieve our goals. Secretary Wolfowitz is now approaching the podium. I give this greeting personally to you.

Secretary Wolfowitz, we are particularly pleased to have the opportunity to discuss your assessment of our reconstruction efforts based on your recent visit to Iraq. When you were here with us in May, your testimony added greatly to this committee's understanding of the resource requirements in Iraq at that time. In subsequent hearings on Iraq, we have heard of many successes on the ground. Yet overall, the United States mission in Iraq continues to hang in the balance. If we succeed in rebuilding Iraq, it may set off a positive chain of events that could usher in a new era of stability and progress in the Middle East.

By contrast, failure could set back American interests for a generation, increasing anti-Americanism and multiplying the threats from tyrants and terrorists and reducing our credibility.

Having visited Iraq 4 weeks ago with my colleagues, Senator Biden and Senator Hagel, who are with me on both sides this morning, I can attest that the troops and officials in Iraq understand this urgency. I believe that most high-ranking officials and Members of Congress understand the stakes as well.

Yet because of some combination of bureaucratic inertia, political caution, and unrealistic expectations left over from before the war, we do not appear to be confident about our course in Iraq. Our national sense of commitment and confidence must approximate what we demonstrated during the Berlin Airlift, a sense that we could achieve the impossible despite short-time constraints and severe conditions of risk and consequence.

We know, for example, that coalition efforts in Iraq must undergo further internationalization to be successful and affordable. We know that the key to most problems in Iraq is establishing security. We know that we must have far more effective means of delivering honest information to the Iraqi people. We know that our credibility with the international community and the Iraqi people will be enhanced by a multi-year budgetary commitment.

Yet we have taken inadequate policy steps toward realizing these objectives. We still lack a comprehensive plan for how to acquire sufficient resources for the operations in Iraq and how to use them to maximum effect.

Last week, similar concerns were outlined clearly by Dr. John Hamre and his team of experts commissioned by the Department of Defense to assess reconstruction efforts in Iraq. Their excellent report offers 32 recommendations to help solve many problems. We understand the Department of Defense has praised this report and is beginning to implement some of these recommendations.

A major untapped resource with the potential for changing the dynamics on the ground is the international community. The United States needs to build a new coalition to win the peace. Involving other nations in Iraq will help reassure the Iraqi people that the results of our nation-building efforts are legitimate.

At the same time, international involvement will reduce the burden on the United States taxpayer and help maintain the American people's political support. Just as we called upon our military strength to win the war, we need to call on the strength of our diplomacy to overcome pre-war disagreements with allies and reach a new consensus on how to ensure that Iraq emerges as a peaceful and stable nation. We may need a new United Nations Security Council resolution or some other form of international commitment to increase assistance to Iraq.

We look forward to the pledging conference in October as an opportunity for all nations to commit to rebuilding Iraq, but the United States diplomatic offensive must be in full force now.

Another idea that the administration should explore is the prospect of opening a "backstopping" coordinating office in Washington that mirrors the effort in Baghdad. Such an office must be structured to help cut through micro-management and bureaucratic delays in the decisionmaking process. The Hamre report states, and I quote, "The Coalition Provisional Authority is badly handicapped by a business-as-usual approach to the mechanics of gov-

ernment, such as getting permission to spend money or enter into contracts."

Dr. Bolten, we will look to you today to explain how resources for Iraq are being managed, and how they can be better managed. Our committee wants to be helpful to you in ensuring the most effective use of resources possible.

Finally, I will reiterate my observation from last week's hearing that Congress, as an institution, is failing to live up to its own responsibilities in foreign affairs even as we have cited shortcomings of administration policy in responding to the extraordinarily difficult circumstances in Iraq, the Senate has allowed unrelated domestic legislative objectives to delay the far simpler task of passing the Foreign Relations Authorization bill, for example.

This bill includes new initiatives and funding authority related to the security and productivity of our diplomats, our outreach to the Muslim world, our nonproliferation efforts, our foreign assistance, and innumerable other national security priorities. Yet politically motivated obstacles have been thrown in the path of the bill almost cavalierly, as if Congress's duty to pass foreign affairs legislation has little connection to our success in Iraq or in our war against terrorism.

Congress has also been a co-conspirator with the administration in failing to advance a predictable multi-year budget for operations in Iraq that would demonstrate American vision and commitment, attract allied support, and clarify the scope of our mission to the American people.

Many Members of Congress have called for short-term cost estimates from the administration, but few seem willing to offer the White House a true partnership in constructing a 4- or 5-year budget plan that would provide a sober accounting of the needs in Iraq and the means to fund them. Congress must focus on how we can help the administration, or we will bear a large share of the responsibility for whatever failures occur.

Even in this political season, the President and Members of Congress of both parties must set aside at least some of the political opportunities that are inherent in this war and its aftermath. The Founders structured Congress to be a political body, but they also expected that Congress would be able to rise above excess partisanship to work with the President on national security issues.

We can start by making it clear that Congress will join with the administration in doing our duty and accepting the political risks in constructing a 4-year budget for Iraq.

We are grateful for the participation of our witnesses today. We look forward to an enlightening discussion. We urge you to suggest ways in which we can help you achieve American objectives in Iraq.

Now let me say at the outset, before I yield to my colleague from Delaware, that I have indicated to Secretary Wolfowitz that his statement and the statements of Mr. Bolten and General Keane, if they have them, will be made a part of the record in full. Nonetheless, less, I have also urged Secretary Wolfowitz that he should be complete in the statement he makes to the committee today. That is, he should take the time that is required to comprehensively give the experiences that have formed his views and that move at least

along the lines of some suggestions that I have made, as well as those that I am sure the distinguished ranking member will make.

The purpose of this hearing is not to cutoff our witnesses at 5 minutes, 10 minutes, or with the time gone. It really is to hear from them, to hear fully, and to have an opportunity for the American people to hear this message from all of you, which is very important.

[The opening statement of Senator Lugar follows:]

OPENING STATEMENT OF SENATOR RICHARD G. LUGAR

It is our pleasure to welcome back Deputy Secretary of Defense Paul Wolfowitz, accompanied by General John Keane, Acting U.S. Army Chief of Staff, and to welcome for the first time before the Senate Foreign Relations Committee, Joshua Bolten, the new Director of the Office of Management and Budget. Today the committee will continue its examination of Iraq reconstruction and how sufficient resources can be provided to ensure that we achieve our goals.

Secretary Wolfowitz, we are particularly pleased to have the opportunity to discuss your assessment of our reconstruction efforts based on your recent visit to Iraq. When you were here in May, your testimony added greatly to this committee's understanding of resource requirements in Iraq at the time.

In subsequent hearings on Iraq, we have heard of many successes on the ground. But overall, the U.S. mission in Iraq continues to hang in the balance. If we succeed in rebuilding Iraq, it may set off a positive chain of events that could usher in a new era of stability and progress in the Middle East. By contrast, failure could set back American interests for a generation, increasing anti-Americanism, multiplying the threats from tyrants and terrorists, and reducing our credibility.

Having visited Iraq four weeks ago with Senator Biden and Senator Hagel, I can attest that the troops and officials in Iraq understand this urgency. I believe that most high-ranking officials and Members of Congress understand the stakes, as well. Yet because of some combination of bureaucratic inertia, political caution, and unrealistic expectations left over from before the war, we do not appear to be confident about our course in Iraq. Our national sense of commitment and confidence must approximate what we demonstrated during the Berlin Airlift—a sense that we could achieve the impossible, despite short time constraints and severe conditions of risk and consequence.

We know, for example, that Coalition efforts in Iraq must undergo further internationalization to be successful and affordable. We know that the key to most problems in Iraq is establishing security. We know that we must have far more effective means of delivering honest information to the Iraqi people. We know that our credibility with the international community and the Iraqi people will be enhanced by a multi-year budgetary commitment. Yet we have taken inadequate policy steps toward realizing these objectives. We still lack a comprehensive plan for how to acquire sufficient resources for the operations in Iraq and how to use them to maximum effect.

Last week, similar concerns were outlined clearly by Dr. John Hamre and his team of experts commissioned by the Department of Defense to assess reconstruction efforts in Iraq. Their excellent report offers 32 recommendations to help solve many problems. We understand that the Department of Defense has praised this report and is beginning to implement some of these recommendations.

A major untapped resource with the potential for changing the dynamics on the ground in Iraq is the international community. The United States needs to build a new coalition to win the peace. Involving other nations in Iraq will help reassure the Iraqi people that the results of our nation-building efforts are legitimate. At the same time, international involvement will reduce the burdens on the U.S. taxpayer and help maintain the American people's political support.

Just as we called upon our military strength to win the war, we need to call on the strength of our diplomacy to overcome pre-war disagreements with allies and reach a new consensus on how to ensure that Iraq emerges as a peaceful and stable nation. We may need a new U.N. Security Council Resolution, or some other form of international commitment to increase assistance to Iraq. We look forward to the pledging conference in October as an opportunity for all nations to commit to rebuilding Iraq, but the U.S. diplomatic offensive must be in full force now.

Another idea that the administration should explore is the prospect of opening a "backstopping" coordinating office in Washington that mirrors the effort in Baghdad. Such an office must be structured to help cut through micromanagement and bu-

reaucratic delays in the decisionmaking process. The Hamre report states: "The Coalition Provisional Authority (CPA) is badly handicapped by a 'business as usual' approach to the mechanics of government, such as getting permission to spend money or enter into contracts." Dr. Bolten, we will look to you today to explain how resources for Iraq are being managed. Our committee wants to be helpful to you in ensuring the most effective use of resources possible.

Finally, I would reiterate my observation from last week's hearing that Congress, as an institution, is failing to live up to its own responsibilities in foreign affairs. Even as we have cited shortcomings of administration policy in responding to the extraordinarily difficult circumstances in Iraq, the Senate has allowed unrelated domestic legislative objectives to delay the far simpler task of passing the Foreign Relations Authorization bill. This bill includes new initiatives and funding authority related to the security and productivity of our diplomats, our outreach to the Muslim world, our non-proliferation efforts, our foreign assistance, and innumerable other national security priorities. Yet politically motivated obstacles have been thrown in the path of the bill almost cavalierly, as if Congress's duty to pass foreign affairs legislation has little connection to our success in Iraq or in our war against terrorism.

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Congress must focus on how we can help the administration, or we will bear a large share of the responsibility for whatever failures occur. Even in this political season, the President and Members of Congress of both parties must set aside at least some of the political opportunities that are inherent in this war and its aftermath. The Founders structured Congress to be a political body. But they also expected that Congress would be able to rise above excessive partisanship to work with the President on national security issues. We can start by making it clear that Congress will join with the administration in doing our duty and accepting the political risks in constructing a four-year budget for Iraq.

We are grateful for the participation of our witnesses today. We look forward to an enlightening discussion, and we urge you to suggest ways that we can help you achieve American objectives in Iraq.

The CHAIRMAN. I call now upon Senator Biden for his statement.

Senator BIDEN. Thank you very much, Mr. Chairman. And I, too, welcome our three distinguished witnesses. We are anxious to hear from them. And I am glad to hear you say that, as usual, we want to hear from you. So do not truncate your statements. We are in need of information. We are in need, I am, at least, in need of information and plans of the administration.

I will try not to repeat some of what the chairman said. But we heard from Dr. Hamre and his colleagues last week. Both the committee, as well as the Defense Department, I am told, thought it was a solid report. But in my view, the most critical finding, and I quote, is "the Iraq population has exceedingly high expectations and the window for cooperation may close rapidly if they do not see progress on delivering security, basic services, opportunities for political development and economic opportunity."

The report went on to say, and I quote, "The next 3 months are crucial to turning around the security situation."

Now I personally think this job is doable or I would not have voted for us going into Iraq in the first place. I think it is doable. But I think it is going to require a much more intensified and urgent commitment of resources. And beyond that, I think it is going to take a lot of time, a lot of troops, and a lot of money.

Now when we ask you guys about how many troops and how much time and how much money, we are not naive. We are not

looking for 1 year, 7 days, and 3 hours. We are not looking for somewhere over *x* billion dollars. We are looking for an honest assessment. And you all know, you all know, that we are talking tens of billions of dollars, tens of thousands, if not initially well over 100,000 troops, and more than that the next year.

So we would like to get some honest assessment from you as to what you are thinking. Because if you are not thinking in those terms, then none of you should have your job, with all due respect. If you are not thinking ahead as to what it is going to look like in a year, a year and a half from now, and what contingency plans are going to be required when you come to ask us for more money, more support, and more time, then we are going to be put in a very difficult position.

We know everything changes. I love hearing you guys in the administration always say things change rapidly. We got that. We know that. We understand that. But what do you think? What do you think? What are you planning?

Unfortunately, right now we are the only game in town. I know we have a coalition of 19 countries. But that coalition is a coalition of the hopeful, because 90 percent of the forces on the ground are ours. Ninety percent of the casualties are ours. And we are paying a vast majority of the costs of reconstruction after you discount the Iraqi funds that exist and existed before and what may come from oil revenues.

And I might add, I misspoke the other day in a hearing when I indicated that it would cost $5 billion to get to a million barrels a day. The number was $5 billion to get to 3.5 million barrels a day. But the point is that there is not enough money at the front end from Iraqi oil to pay for this reconstruction.

By contrast, in Desert Storm, under Bush one, there was a real coalition. There were several hundred thousand boots on the ground that were not wearing American uniforms. And the cost in today's dollars is about $75 billion. And roughly four-fifths of that cost was paid by other people. That is what I call a coalition. That is what I call a coalition.

Now I am not suggesting we are going to be able to do that. But I am suggesting that what we have now is something vastly different than what the American people, I think, anticipated.

I would like to hear from the Secretary about what the administration is going to do to address the situation on the ground before, as the Hamre report says, the window closes or whether or not anyone in the administration thinks the Hamre report is right about the sense of urgency, whether or not the window is closing. I guess that is going to be my fundamental question.

We all acknowledge the No. 1 job is security. And ultimately, only the Iraqis are going to be able to provide for their own security through a new Iraqi police force and a new Iraqi army. But it is going to take time to stand up to those forces. In fact, it is going to take a lot longer time, in my view, than most Americans think it is going to and clearly longer than you all predicted it would at the front end.

And that is OK. We all make predictions wrong. I have made plenty that are wrong. But the question is: What are we going to do about it?

I saw and op ed piece yesterday, Mr. Secretary, that you had visited the Baghdad police academy. I hope they told you the same thing they told me. I have known all those guys since Bosnia. They are the best team we could put together. You put together a first-class team. These are serious people with vast experience, vast experience. And I hope they told you what they told Senator Lugar and told Senator Hagel and told me. And that was that they need about 5,000 additional international police forces now, not next year, now. And they need those forces to train and to patrol with new Iraqi police forces.

I hope you saw the same display that we saw of well-intended Iraqis, who are signed up to come back, that almost look like the Katzenjammer Kids, as they tried to parade for us. They are well-meaning. They are trying hard. But, boy, do they need a lot of work, a lot of work.

You probably heard that it is going to take over a year to recruit and train a minimal force of 40,000. And while Ambassador Bremer hopes to recruit another 35,000 within another year, we were told in Baghdad that fully training a force to professional standards is going to take several years.

And similarly, we are talking about 3 years to build an Iraqi army of 40,000 strong. That should not surprise us, based on our past experience. I am not being critical. But there are parameters in which at least I am dealing, when I look at what the costs are going to be, what kind of help we need, what kind of timeframe we are talking about.

When can Iraqis expect to have law order? When can women leave their homes? When can people drop their daughters off at school and not sit outside the school for the entire 7 hours that they are in school in an automobile waiting for school to be released for fear of their daughters being kidnaped or raped?

Now these are rhetorical questions. You cannot have answers for them. But what conditions do we have to have existing to be able to meet and give reasonable answers to those questions?

And when will Iraqi essential services be restored? Those are the questions we got asked constantly when we were there on the ground. When will we hear a message effectively communicating to the Iraqis?

When I was in Baghdad, we were on the air just 4 hours a day. I am told now we are doing a lot better than that. But the programming still makes public access broadcasts seem exciting. Meanwhile, al Jazeera and the Iranians are on 24–7 with very sophisticated programming, very sophisticated programming.

We heard from the Hamre report that we have a very, very under-funded and under managed operation as to how to get up in the air and actually communicate with the Iraqi people. And how can the greatest communication power in the world be on the short end of this stick here?

I ask these questions because of the yardsticks by which Iraqis are measuring us, in my opinion. The longer it takes, the more Iraqis begin to question our ability to improve their lives, the more frustration will grow toward the United States, and more difficult it is going to be for us to stand up an Iraqi government that has legitimacy.

Like it or not, we are now perceived as the government of Iraq by ordinary Iraqis. And we are going to be judged by our ability to deliver on basic things that people all over the world expect their governments to do: Security, services, and an economy that begins to create jobs.

I thought it was an interesting poll I saw about 10 days ago, where the Iraqi people in the poll indicated that they are prepared to have American forces there from 6 months to 2 years by numbers well in excess of 50 percent in order to restore order. But there is a direct correlation between the lack of order, the lack of control, the lack of services, and their sufferance of having us around.

The vast majority of the Iraqi people expect us to stay, and want us to stay. And they want us to get them up on their feet. But the Iraqis have a hugely unrealistic expectation about the United States.

General, your guys did so well. They did so well so quickly that the Iraqis cannot fathom how we could take away this vast evil that existed there, that they viewed as all powerful and omniscient and not get the lights on.

Now that is unrealistic. We pay a price for being so good at some things and for having inherited an infrastructure that is so bad and so damaged and with actions of sabotage that every time we get something up and running, it gets whacked.

And so the fact of the matter is, though, that these are the expectations. It all goes back to this issue of whether or not that window is wide open or it is closing, because the moment the Iraqi people conclude we are not in their interest, our whole circumstance changes even more drastically than it does today, in my view.

So I hope that you guys will lay out a specific plan about how we plan on making progress in the coming weeks and coming months. I also hope that you will tell us specifically what requests you have made for international assistance and what expectations are of contributions that might be forthcoming, how many forces, what type, how many dollars.

I note that General Myers in testimony last week said that the 30,000 troops promised by other countries, "It needs to be higher than that." What are we doing to make that number higher?

I thought it was really important, quite frankly, the Japanese decided that they were going to vote to send forces. I thought that was—they are only talking about 1,000 forces. But the symbolism of that, I thought, was consequential. And I congratulate the administration.

But what else are we going to do? Who have we made requests to? Are we considering a second U.N. Security Council resolution? Are we considering asking NATO formally to take over a U.S. command?

I understand, from my discussions with NATO, that the likelihood of them being able to free up even 20,000 troops is highly unlikely. I am not looking for large numbers of troops. I am looking for what you are asking for. What are you asking for? Are we trying to change the profile of the forces on the ground.

And Mr. Bolten, I am pleased you have joined us today. For almost a year the committee has tried to get a reasonable estimate

as to what the operation is going to cost or what, at least, the administration thinks it is going to cost in Iraq, in terms of securing the country, administering it and rebuilding it. I know the World Bank is coming in shortly with their estimates. But I know you have to be making your own estimates here. And we want to know what is it, what are you planning for.

I hope that you can offer some answers today. And again, please do not waste our time and yours by saying the future is simply unknowable. We know the future is unknowable. But you cannot plan a great nation's steps based on everything "being unknowable." Pick a number. Pick an idea. Pick a notion. Give us an idea what you are thinking.

We do not expect you to give us specific figures. But as the Government's chief budget officer, you have to have some numbers that you are using for your planning. And we would like you to share them with us.

I am glad to see that the interim Iraqi budget for the remainder of the calendar year has been issued. And in my judgment, it does not make the scale of investments that are urgently needed to turn things around before that window of opportunity closes. Yet it has a $2.2 billion deficit that we financed from vested and seized Iraqi assets.

Ambassador Bremer announced last week that next year's budget will have a projected $4 billion deficit. That means you must have an idea of revenues and expenditures. I hope you will share that information with us. And I hope that you can lay out a plan for making the massive investment that Ambassador Bremer says will have to be made.

He says that it is going to cost us over 5 or 6 years $13 billion to keep electric production with pace of demand. International groups have said it is going to cost $21 billion. I do not know who is right. He indicated $16 billion over that same period of time to provide potable water and investments to improve healthcare and use expenses in building a reliable social safety net. Again, I do not know whether that is accurate. But I want to know are they figures you all are thinking about?

Mr. Chairman, it strikes me that we have three options in Iraq. First, we continue as we are, paying the lion's share of the costs, providing the lion's share of the troops, and taking nearly all of the casualties and all of the blame. And the second is to leave and quickly let the U.N. deal with the ensuing chaos and let Iran and other neighbors intervene. That, in my view, would not only undermine our credibility but would leave us far less secure than we were prior to the war.

And the third option seems to me to be the only reasonable one, and that is to bring in more countries, if necessary, by giving them more say. It strikes me that this is the most sensible option. I realize the devil is always in the details. But it seems to me we should go to NATO, go to the NAC and make this a NATO operation, even if it is a very few NATO forces.

We should go to the U.N. We should go to our Arab allies. And we should go to the EU and say that we genuinely want their help and that they have just as much, if not more, at stake in how this

turns out. The New York Times today has an article about Chirac and the French acknowledging how much they have at stake here.

Are we willing to give them—not just the French, all these folks we are talking about—more than a ceremonial role? And do we want them to genuinely share the burden? I think we do. But I look forward to the testimony. We all have a lot of questions. You have a full panel here. And it is because we know you folks are the ones we should be talking to. And we are anxious to hear what your plans are and to give us some insight.

I thank you, Mr. Chairman.

[The opening statement of Senator Biden follows:]

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Last week the committee heard from several distinguished witnesses from the Center for Strategic and International Studies, the Council on Foreign Relations and other esteemed institutions, who recently assessed the situation in Iraq at the request of Secretary Rumsfeld.

In my view, their most critical finding was that "Iraqis uniformly expressed the view that the window of opportunity for the CPA to turn things around in Iraq is closing rapidly." Their report went on to say "the next three months are crucial to turning around the security situation."

I personally think the job is doable, but it is going to require an intensified and urgent commitment of resources. Beyond that, it is going to take a lot of time, a lot of troops, and a lot of money. We all know it will require tens of billions of dollars, tens of billions of troops and well over thousands now are probably there for over five years. We're not asking you for precise numbers, but, we need to know your best analysis.

Unfortunately, we are left holding the bag because of the failure to make Iraq the world's problem. Please spare me the rhetoric that we have a true coalition because 19 countries are with us on the ground. We all know that we have roughly 90% of the forces on the ground, that we are taking more than 90% of the casualties, and that we are paying the vast majority of the costs of reconstruction. If this is a true coalition, I'm afraid to ask what a largely unilateral effort looks like.

By contrast, in Desert Storm, then President Bush built a coalition of nations that contributed almost 300,000—troops, and paid about $75 billion in today's money, or roughly four-fifths of the cost.

I'd like to hear from Secretary Wolfowitz about what the administration is doing to address the situation on the ground before the window closes.

Job number one is security. Ultimately, only the Iraqis themselves can provide for their own security, through a new Iraqi police force and a new Iraqi army. But it will take time to stand up these forces—in fact a lot longer time than most Americans have been led to believe.

I saw in your op-ed yesterday that you visited the Baghdad police academy. I hope that while you were there that you received the same briefing that Senators Lugar, Hagel, and I did from the first rate police assessment team we have on the ground.

If so, you probably heard the pleas to recruit over 5,000 international police forces to train and patrol with a new Iraqi police force. Where does that effort stand? You probably also heard that it will take over a year to recruit and train a minimal force of 40,000. And while Ambassador Bremer hopes to recruit another 35,000 within another year, we were told in Baghdad that fully training the force to professional standards could take several years. Similarly, it will take about three years to build an Iraqi army 40,000 strong. Meanwhile, we're filling the vacuum.

When can Iraqis expect to have law and order improve? When can women leave their homes without fear of rape?

When will Iraqis have essential public services restored?

When will they hear a message effectively communicated to them? When I was in Baghdad, we were on the air just 4 hours a day. I'm told we're doing better, but that the programming still makes public access broadcasts seem exciting. Meanwhile, Al Jazeera and the Iranians are on the air 24/7, with sophisticated programming. How can the greatest communications power in the world be on the short end of the stick here?

I ask these questions because they are the yardsticks by which lraqis are measuring our efforts.

The longer it takes, the more Iraqis begin to question our ability to improve their lives and the more their frustration will grow toward the United States. And the more difficult it will be for us to create an Iraqi government that has legitimacy.

Like it or not, we are now perceived as the government of Iraq by ordinary Iraqis and we will be judged by our ability to deliver the basic things that people all over the world expect of a government—security, services, and an economy that creates jobs. And in the case of Iraq, there is a huge expectations gap—Iraqis had unrealistic expectations about what the United States would deliver, but that is a reality we have to live with.

So I hope Secretary Wolfowitz, that you can lay out a specific plan about how we will make progress in the coming weeks and months.

I also hope you will tell us specifically what requests you have made for international assistance and what your expectations are of the contributions will be forthcoming—how many forces, what type, and how many dollars?

I note that General Myers in testimony last week said of the 30,000 troops promised by other countries—"it needs to be higher than that." What are we doing to make that number higher? Who have we made a request to? Are we considering a second UN Security Council resolution? Are we considering asking NATO to formally take over under U.S. command?

Mr. Bolten, I am pleased you have joined us today. For almost a year, the committee has tried to get reasonable estimates on what the operation is going to cost in Iraq—in terms of securing the country, administering it and rebuilding it. I hope that you can offer some answers today. And again, please don't waste our time and yours by saying the future is simply "unknowable." We do not expect you to give us a precise figure, but as the government's chief budget officer, you must have some numbers that you are using for planning. Please share them with us. The American people have a right to know. And so does Congress.

I am glad to see that an interim Iraqi budget for the remainder of this calendar year has been issued. In my judgment, it does not make the scale of investments that are urgently needed to turn things around before the "window of opportunity" closes. Yet, it has a $2.2 billion deficit that will be financed from vested and seized Iraqi assets.

Ambassador Bremer announced last week that next year's budget will have a projected $4 billion deficit. That means that you must have an idea of revenues and expenditures. I hope that you will share that information with us. And I hope that you can lay out a plan for making the massive investments that Ambassador Bremer said will have to be made—over five years $13 billion to keep electricity production apace with demand, $16 billion to provide potable water, investments to improve health care, and huge expenses in building a reliable social safety net.

Mr. Chairman, it strikes me that we have three options in Iraq. The first is to continue as we are now—paying the lion's share of the cost, providing the lion's share of the troops, and taking nearly all the casualties and the blame.

The second is to leave quickly and let the UN deal with the ensuing chaos and let lran and other neighbors intervene. That, in my view, would not only undermine our credibility but it would leave us far less secure than we were prior to the war.

The third option is to bring in more countries, if necessary by giving them more of a say. This strikes me as the most sensible option. We should go to NATO, we should go to the UN, we should go to our Arab allies, and we should go to the EU and say that we genuinely want their help, that they have just as, if not more, at stake as we do. And that we are willing to give them more than a ceremonial role and that we genuinely want them to share the burden.

I look forward to your testimony.

The CHAIRMAN. Thank you very much, Senator Biden.

In consultation with the witnesses, we understand the order that all of us have determined is that Mr. Bolten would testify first, then Deputy Secretary Wolfowitz, that General Keane would not testify but is available to respond to questions. So we are grateful for that.

Mr. Bolten, would you please proceed.

STATEMENT OF HON. JOSHUA B. BOLTEN, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET [OMB], WASHINGTON, DC

Mr. BOLTEN. Mr. Chairman, thank you. And thank you for the warm welcome, Senator Biden, members of the committee. I appre-

ciate the opportunity to appear here today, along with Deputy Secretary Wolfowitz and General Keane, to testify on the status of and prospects for reconstruction in Iraq.

Two weeks ago, I submitted to Congress on behalf of the administration the second in a series of reports required under section 1506 of the Emergency Wartime Supplemental Appropriations Act 2003. That report provides an update through June 30 on U.S. activities and our strategy related to reconstruction in Iraq.

Before I discuss highlights of that report, I would like to review briefly some of the planning done prior to combat operations in Iraq, which prepared the way for our current relief and reconstruction operations.

Beginning last October, a senior interagency team was convene to develop a baseline assessment of conditions in Iraq and to define sector-by-sector relief and reconstruction plans in the event of regime change in Baghdad. The group included representatives from the Departments of Defense, State, and Treasury; USAID; CIA; and, from the White House, staff of the National Security Council and the Office of Management and Budget. Additional agencies were called upon as expertise was needed.

The teams developed plans for immediate relief operations and longer term reconstruction in ten sectors: Health, education, water and sanitation, electricity, shelter, transportation, governance and rule of law, agriculture and rural development, telecommunications, and economic and financial policy.

Each sector was assigned a lead agency that produced an action plan with benchmarks to be achieved within 1 month, 6 months, and 1 year. The President's guidance was clear: He expected defined milestones by which we could measure progress in improving the lives of the Iraqi people. As these plans evolved, administration officials briefed your staffs on this committee, who I understand made valuable contributions. As finally developed, these plans laid the foundation for the work underway today.

Consistent with our early planning, the U.S. and our coalition partners in Iraq have moved now from an emphasis on immediate relief operations to a wide variety of reconstruction activities. These activities are detailed in the section 1506 report submitted to Congress 2 weeks ago and amplified and updated in excellent remarks last week by Ambassador Bremer in briefings here in the Congress. Ambassador Bremer being the Presidential Envoy to Iraq and Administrator of the Coalition Provisional Authority, the CPA.

The section 1506 report and Ambassador Bremer's remarks reflect, first, a situation in Iraq in which, although security problems persist, widespread humanitarian disaster has thus far been averted. There is no food crisis, no refugee crisis, and no public health crisis.

While disaster has been averted, enormous challenges remain, as both the chairman and Senator Biden have alluded to. Most of those challenges are the product of three decades of devastation inflicted by Saddam's regime on Iraq's physical, social, and economic infrastructure. To address these challenges and restore sovereignty to the Iraqi people, the section 1506 report and Ambassador Bremer's remarks lay out a plan with four core missions.

First, security, establishing a safe and secure environment. Second, essential services, restoring basic services to an acceptable standard. Third, economy, creating the conditions for economic growth. And fourth, governance, enabling the transition to transparent and inclusive democratic governance.

Let me highlight just a few specific areas of important progress. In public safety, the CPA is vetting, hiring, and deploying an Iraqi police force to restore order and safety. Thirty thousand policemen have been recalled to duty. And police stations and training academies are being restored. Former New York City Police Commissioner Bernard Kerik leads a team whose mission is to promote well-trained and responsible public safety forces in Iraq's police, fire, border, customs, and immigration organizations.

In the health area, consistent with plans developed before the conflict, the health sector is being systematically evaluated. And a national data base is being built to monitor and manage ongoing needs. Medical facilities are under repair. More than 1,500 tons of supplies are restocking medical shelves. And basic services have been restored. Today, nearly all of Iraq's 240 hospitals, 10 specialty centers, and more than 1,200 clinics are open and receiving patients.

Power. Pre-war planning limited damage to the electrical system during the conflict. But restoring electricity has been a major challenge because the pre-war infrastructure was so dilapidated and because of continuing targeted sabotage. Nevertheless, much of Iraq, with the exception of Baghdad, is now at or above pre-war power availability. Ambassador Bremer expects to restore power fully to pre-war levels within the next 60 days, though that will still leave a substantial shortfall in Iraq's projected power needs.

In the oil area, in addition to rebuilding critical infrastructure, rapid restoration of Iraqi oil production is a high and crucial priority. Crude oil production already exceeds one million barrels per day. Future production levels will depend on many variables, including the availability of adequate power and security of the oil infrastructure, though Ambassador Bremer now expects by the end of summer to have oil production at a level of around one-and-a-half million barrels per day.

In the economy, Ambassador Bremer identified the CPA's broader task in the current economic field as twofold. First, to stabilize the current economic situation, which they are doing in part by continuing payment of public sector salaries and pensions and by funding a range of infrastructure construction projections. Second, to promote long-term growth, which they are doing through measures designed, for example, to establish a sound currency, to create an independent central bank, and to build a modern banking system.

To pursue these and other important ongoing efforts in Iraq, we began with approximately $7.7 billion from a number of sources. Approximately $600 million was provided from DOD accounts to support CPA operations. Approximately $3 billion was appropriated by Congress in the war supplemental, of which about $500 million was provided to the Department of Defense for oil field repair. Roughly $500 million was drawn early from appropriated 2003 foreign assistance accounts.

Added to these appropriated funds are the following: About $1.7 billion in Iraqi state frozen assets in the U.S., referred to as vested assets; about $800 million in cash and other assets found in Iraq. Those are referred to as seized assets. And finally over $1 billion in oil receipts were transferred by the United Nations into a new Development Fund for Iraq, the DFI. We expect additional resources frozen in other countries eventually to be transferred to the DFI.

The recent section 1506 report provides Congress a status of these funds as of June 30. I will highlight some of the key numbers, what we have spent so far and on what, the details of which are available in the full report. Through the end of June, the U.S. Government has allocated slightly more than $2.7 billion. Of that $2.7 billion, approximately $750 million came from seized and vested Iraqi state assets, the remainder from funds appropriated by Congress.

The $2.5 billion allocated so far includes funding for the following activities: $730 million for relief efforts to reestablish food distribution, provide medical supplies, purchase fuels, and provide other humanitarian efforts; $400 million for emergency payments and salaries for civil servants and other workers in various sectors and for pensioners; $1.37 billion for reconstruction activities, including reestablishing critical services, ministries, oil production, and security forces; and $200 million for activities that support the operations of the CPA in Baghdad.

Mr. Chairman, as a result of these allocations, roughly $5 billion in funds remain. The picture as of June 30 looks like this: Of the original $4.1 billion in funds appropriated by Congress, approximately $2.2 billion remained as of June 30. Of the original $2.5 billion in seized and vested Iraqi state assets, approximately $1.8 billion remained. And just over $1 billion remains in the DFI.

Mr. Chairman, thanks to the dedication, courage, and sacrifice of our men and women in uniform, so ably represented here by Secretary Wolfowitz and General Keane, we have liberated Iraq. Now our mission, in your words, Mr. Chairman, is to win the peace. The President agrees.

After meeting with Ambassador Bremer last week, he reaffirmed the coalition's determination to help establish a free, sovereign, and democratic Iraq. He understands that rebuilding Iraq will take a sustained commitment if we are to improve security, restore essential services, generate economic development, and secure democracy for all Iraqis. Building on plans that were developed even before combat operations began in Iraq, the Coalition Provisional Authority is implementing a comprehensive strategy to move Iraq toward a future that is secure and prosperous. We look forward to working with this committee and the rest of Congress to ensure fulfillment of that vision.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Bolten follows:]

PREPARED STATEMENT OF HON. JOSHUA B. BOLTEN, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

Chairman Lugar, Senator Biden, Members of the Committee: I appreciate the opportunity to appear here today, along with Deputy Secretary Wolfowitz and General Keane, to testify on the status of and prospects for reconstruction in Iraq.

Two weeks ago, I submitted to Congress, on behalf of the Administration, the second in a series of reports required under Section 1506 of the Emergency Wartime Supplemental Appropriations Act, 2003. That report provides an update through June 30 on United States activities and our strategy related to reconstruction in Iraq. Before I discuss highlights of that report, I would like to review briefly some of the planning done prior to combat operations in Iraq, which prepared the way for our current relief and reconstruction operations.

PRE-WAR PLANNING

Beginning last October, a senior interagency team was convened to develop a baseline assessment of conditions in Iraq and to define sector-by-sector relief and reconstruction plans in the event of regime change in Baghdad. The group included representatives from the Departments of Defense, State, and Treasury; USAID; CIA; and, from the White House, staff of the National Security Council and the Office of Management and Budget. Additional agencies were called upon as expertise was needed.

The team developed plans for immediate relief operations and longer term reconstruction in ten sectors: health; education; water and sanitation; electricity; shelter; transportation; governance and rule of law; agriculture and rural development; telecommunications; and economic and financial policy.

Each sector was assigned a lead agency that produced an action plan with benchmarks to be achieved within one month, six months, and one year. The President's guidance was clear: He expected defined milestones by which we could measure progress in improving the lives of the Iraqi people. As these plans evolved, Administration officials briefed your staffs, who I understand made valuable contributions. As finally developed, these plans laid the foundation for the work underway today.

PROGRESS AND CURRENT MISSION

Consistent with our early planning, the United States and our Coalition partners in Iraq have moved from an emphasis on immediate relief operations to a wide variety of reconstruction activities. These activities are detailed in the Section 1506 Report submitted to Congress two weeks ago and amplified and updated in excellent remarks last week by Ambassador Bremer, the Presidential Envoy to Iraq and Administrator of the Coalition Provisional Authority (CPA).

The Section 1506 Report and Ambassador Bremer's remarks reflect, first, a situation in Iraq in which, although security problems persist, widespread humanitarian disaster has thus far been averted. There is no food crisis, no refugee crisis, and no public health crisis.

While disaster has been averted, enormous challenges remain—most of them the product of three decades of devastation inflicted by Saddam's regime on Iraq's physical, social, and economic infrastructure. To address these challenges and restore sovereignty to the Iraqi people, the Section 1506 Report and Ambassador Bremer's remarks lay out a plan with four core missions:

- Security: establishing a secure and safe environment;
- Essential services: restoring basic services to an acceptable standard;
- Economy: creating the conditions for economic growth; and
- Governance: enabling the transition to transparent and inclusive democratic governance.

Let me highlight just a few specific areas of important progress:

Public safety. The CPA is vetting, hiring, and deploying an Iraqi police force to restore order and safety. 30,000 policemen have been recalled to duty, and police stations and training academies are being restored. Former New York City Police Commissioner Bernard Kerik leads a team whose mission is to promote well-trained and responsible public safety forces in Iraq's police, fire, border, customs, and immigration organizations.

Health. Consistent with plans developed before the conflict, the health sector is being systematically evaluated and a national data base is being built to monitor and manage ongoing needs. Medical facilities are under repair, more than 1,500 tons of supplies are restocking medical shelves, and basic services have been restored. Today, nearly all of Iraq's 240 hospitals, 10 specialty centers, and more than 1,200 clinics are open and receiving patients.

Power. Pre-war planning limited damage to the electrical system during the conflict, but restoring electricity has been a major challenge because the pre-war power infrastructure was so dilapidated and because of continuing targeted sabotage. Nevertheless, much of Iraq, with the exception of Baghdad, is now at or above pre-war

power availability. Ambassador Bremer expects to restore power fully to pre-war levels within the next 60 days, though that will still leave a substantial shortfall in Iraq's projected power needs.

Oil. In addition to rebuilding critical infrastructure, rapid restoration of Iraqi oil production is a high priority. Crude oil production already exceeds one million barrels per day. Future production levels will depend on many variables, including the availability of adequate power and security of the oil infrastructure.

Economy. Ambassador Bremer identified the CPA's broader task in the economic field as twofold: First, to stabilize the current economic situation—which they are doing in part by continuing payment of public-sector salaries and pensions and by funding a range of infrastructure construction projects. Second, to promote long-term growth—which they are doing through measures designed, for example, to establish a sound currency, to create an independent central bank, and to build a modern banking system.

FUNDING FOR IRAQ RELIEF AND RECONSTRUCTION

To pursue these and other important ongoing efforts in Iraq, we began with approximately $7.7 billion from a number of sources: approximately $600 million was provided from DoD accounts to support CPA operations; approximately $3 billion was appropriated by Congress in the War Supplemental, of which about $500 million was provided to the Department of Defense for oil field repair; roughly $500 million was drawn from appropriated 2003 foreign assistance accounts. Added to these appropriated funds are: about $1.7 billion in Iraqi state assets frozen in the US ("vested" assets); about $800 million in cash and other assets found in Iraq ("seized" assets); and finally over $1 billion in oil receipts were transferred by the United Nations into a new Development Fund for Iraq (DFI). We expect additional resources frozen in other countries eventually to be transferred to the DFI.

The recent Section 1506 Report provided Congress a status of these funds as of June 30. I will briefly highlight some of the key numbers—what we've spent so far and on what—the details of which are available in the report. Through the end of June, the US Government has allocated slightly more than $2.7 billion. Of that $2.7 billion, approximately $750 million came from seized and vested Iraqi state assets; the remainder from funds appropriated by Congress.

The $2.7 billion allocated so far includes funding for the following activities:

- $730 million for relief efforts to reestablish food distribution, provide medical supplies, purchase fuels, and provide other humanitarian efforts.
- $400 million for emergency payments and salaries for civil servants and other workers in various sectors and for pensioners.
- $1.37 billion for reconstruction activities including reestablishing critical services (such as water, sanitation, and electricity), ministries, oil production, and security forces.
- $200 million for activities that support the operations of the CPA in Baghdad.

As a result of these allocations, roughly $5 billion in funds remain available. The picture as of June 30 looks like this:

- Of the original $4.1 billion in funds appropriated by Congress, approximately $2.2 billion remained.
- Of the original $2.5 billion in seized and vested Iraqi state assets, approximately $1.8 billion remained.
- Approximately $1 billion remained in the DFI.

CONCLUSION

Thanks to the dedication, courage and sacrifice of our men and women in uniform, we have liberated Iraq. Now, our mission in your words, Mr. Chairman, is "to win the peace."

The President agrees. After meeting with Ambassador Bremer last week, he reaffirmed the Coalition's determination to help establish a free, sovereign, and democratic Iraq. He understands that rebuilding Iraq will take a sustained commitment if we are to improve security, restore essential services, generate economic development and secure democracy for all Iraqis. Building on plans that were developed even before combat operations began in Iraq, the Coalition Provisional Authority is implementing a comprehensive strategy to move Iraq toward a future that is secure and prosperous. We look forward to working with this Committee and the rest of Congress to ensure fulfillment of that vision.

The CHAIRMAN. Well, thank you very much, Director Bolten, for these specifics, as well as the outline of the planning. We appreciate your testimony.

I would like to call now upon a good friend of the committee. I welcome you again, Secretary Wolfowitz. You were most generous with your time and important testimony last month. We thank you again for your willingness to reappear today.

Please proceed.

STATEMENT OF HON. PAUL D. WOLFOWITZ, DEPUTY SECRETARY OF DEFENSE; ACCOMPANIED BY: GENERAL JOHN M. KEANE, ACTING CHIEF OF STAFF, U.S. ARMY, DEPARTMENT OF DEFENSE, WASHINGTON, DC

Mr. WOLFOWITZ. Mr. Chairman, I appreciate the opportunity. I think we should also thank Chairman Warner and the members of the Senate Armed Services Committee for setting a good example for all of us in not arguing about whether defense witnesses should appear before your committee or vice versa.

The CHAIRMAN. Thank the chairman.

Mr. WOLFOWITZ. I think there is unanimous agreement that these issues are of such importance that we need to put those kinds of differences behind us. And in sitting here and talking to you, I recall, I think we really first got to know each other very well 20 years ago, in fact almost literally 20 years ago, when we began the process of a political transition in the Philippines that led that country from a dictatorship to a democracy. The conditions were very different. We did not need American troops.

You, Mr. Chairman, played an extraordinary role in making that happen. I think it is the kind of thing we have seen unfold in Asia over the last 20 years since then gives me a certain cautious hope that maybe we can begin a process like that in the Middle East.

Mr. Chairman and members of the committee, on behalf of the men and women who proudly wear the uniform of our country and who serve our country so faithfully and so well, I want to say that we are grateful to you and your colleagues in the Senate and in the House for your continuing and unfailing support.

I just came back from a four-and-a-half day visit to northern, central, and southern Iraq. We had incredible support from the U.S. military. And as a result, I think in that four-and-a-half days we were able to cover what would probably normally take about 2 weeks. We did it in 120 degree temperature, which I do not expect any sympathy for. But it certainly gave me an understanding of what our troops are living with day after day after day. And they did not get to sleep in the places we slept in at night. Actually, I think I would have preferred to be out in a tent than to be in one of Saddam's palaces, but that is the way the cookie crumbles, as they say.

We had some remarkable members of the fourth estate with us. And they have written some interesting pieces, including, I think, quite a few that sort of summarize our trip certainly more eloquently than I can and perhaps more objectively. So if I might, I would like to submit those for the record, an article by Jim Hoagland, an article by Eric Schmitt, an article by Paul Gigot, and an article by Stephen Hayes. And just to try to compete a little, I

will add my op ed piece from yesterday's Post,[1] if I may do so, Mr. Chairman.

The CHAIRMAN. It will all be included in the record in full.

Mr. WOLFOWITZ Thank you.

Mr. Chairman, I appreciate your offering me the opportunity to speak at some length here, because I think we learned a lot. And I think it is important to share it, not only with the committee but with the American people. So I will summarize parts of my written statement, but I will be delivering quite a bit of it.

I would like to start with the police academy, which Senator Biden mentioned you visited when you were there. I visited—between the time that you visited and the time we arrived, a rather appalling discovery had been made. Behind that police academy stands the forked trunk of a dead tree. It is unusual for the fact that on each fork of that trunk the bark is permanently marked by two sets of ropes, one high enough to tie a man and the other a woman.

Near the tree is a row of small cells where special prisoners were held. Our guide on the tour of the academy was the newly appointed superintendent. I guess he is called the dean. I think you met him, also. He himself had spent a year in jail for having denounced Saddam Hussein. I expressed some surprise that he seemed like a sensible man, how could he have been so foolish as to denounce Saddam Hussein. He said, "Well, I just said it to my best friend." That was enough to get him in jail for a year.

He told us of unspeakable things that once happened to men and women tied to that tree and held in those cells right behind the police academy, unknown to visitors, unknown to the police who were training there.

Beyond that torture tree and the cells, a small gate leads to the Olympic Committee Headquarters run by Uday Hussein, who apparently would often slip through the back gate at night to torture and abuse prisoners personally.

That is the same tree behind the police academy that was described in such gruesome detail in the Washington Post on July 23. That article focused on the sad story of one Assyrian Christian woman who was tied to that tree and made to endure unspeakable torture. Her husband was executed at the academy. And his body was passed through the steel gate to her, as the article described it, like a piece of butcher's meat, all because the couple had not received state approval for their marriage.

There is a positive aspect in the distressing story of Juman Michael Hanna. That is her courage in coming forward to offer U.S. officials what is very likely credible information, information that is helping us to root out Baathist policemen who routinely tortured and killed prisoners.

Mr. Chairman, as I said, that is the same police academy that you and Senator Biden and Senator Hagel visited. But as I said, our understanding of the academy's role in the regime has evolved since your trip. That is due to Mrs. Hanna's brave testimony about crimes committed against her. And that one step in the evolution

[1] The articles and op ed piece submitted by Deputy Secretary Wolfowitz for the record can be found beginning on page 88.

of our understanding of what went on in the old regime points to one of the most formidable challenges facing us today.

The people of Iraq have much valuable information that can help us root out Baathists and help them find justice. But their willingness to tell us what they know will continue to take significant investments on our part, investments of time, of resources, of efforts to build trust among the Iraqi people.

Mr. Chairman, like Ambassador Bremer, who I believe briefed you in closed session, like John Hamre, who we sent over to do a survey for us and came back with an excellent report, I, too, observed that there is an enormous need in Iraq for basic services to be restored, for jobs to be restored. I think everywhere I went I heard the plea for more electricity.

I also heard everywhere I went expressions of gratitude for being liberated from one of the worst tyrants in modern history. But what I also heard were continued expressions of fear, fear that has not yet left the Iraqi people, fear that verges on paranoia.

In speaking with the city council in the holy city of Najaf, one of the two most important for Shi'a Islam, one of the members of the city council, an educated professional—I think he was either an engineer or a lawyer—asked me what to Americans might seem an incredible question. He said, "Are you Americans hold Saddam Hussein as a trump card over our heads?" It is paranoid. And I was categorical in saying to him that no one would like to get Saddam Hussein more than we would. But after what they have been through, after the way he has terrorized them, and after the experiences of 1991, they are paranoid.

And so I came away with two very important conclusions that I would like to share with this committee about the linkages that confront us in dealing with the problems of Iraq. We cannot take these problems on piecemeal. We have to take them on simultaneously.

The first linkage is the connection between the past and the present. You cannot separate what seems to be history in Iraq from what goes on today. The people who suffered those tortures, the people whose relatives are buried in those mass graves are not going to come forward willingly with information until they are absolutely convinced that Saddam and his clique are gone and that we are staying until the place is secure.

And it is connected also, I might add, to the issue of looking for information about weapons of mass destruction. We have only just recently learned that there are leaflets circulating in Baghdad warning Iraqis that anyone who provides information about weapons of mass destruction programs to the coalition will suffer the penalty of death. I take it whoever circulated those leaflets believe there were such programs, by the way.

The second connection is the crucial connection between security and reconstruction. In fact, let me qualify the word. What Iraq needs is not reconstruction, which implies repairing wartime damage—that has largely been done with the important still remaining work to do on the telecommunications system—what Iraq needs is rehabilitation from 35 years of deliberate misuse of Iraqi resources. You see palace after palace. We were in the mere guest house of a mere palace. The luxury is appalling. The marble layers are ap-

palling. It is palaces and tanks and artillery pieces and weapons of mass destruction and prisons and torture chambers that Saddam invested the resources of his people in.

And to the extent he paid any attention to the basic infrastructure, there was a kind of punitive policy, at least since 1991, that particularly affected those areas of the south and north that he regarded as particularly disloyal.

That rehabilitation effort cannot take place without security. And security cannot progress without rehabilitation. Let me illustrate it in simple terms. Part of our security problems is getting those young men back at work, or at work for the first time in many cases. That means getting the economy going. That means getting electricity up and working.

To get electricity up and working, however, we have to do something about the deliberate sabotage that is bringing down long distance power lines. We can tell the difference between random theft, where the thieves are very careful to take all the copper away from them, and the increasing incidence of clear and deliberate sabotage where all that is done is destruction. Indeed, the more we succeed, the more the Baathists and the terrorists who are working with them will target our success. But they will not win.

Mr. Chairman, for many years, the classic study of Saddam's tyranny is a book called "Republic of Fear," originally published under a pseudonym because he feared for his life by a very brave Iraqi named Kanan Makiya. And in that book he quotes a letter from an former agent in the Iraqi secret police, "Confronting an experienced criminal regime," that former member of the regime said, "such as the present one in Baghdad can be done only with truths that strip off its many masks, bringing its demise closer."

Traveling through Iraq last week, we heard many accounts of unspeakable brutality on a scale Americans cannot imagine. We saw truths that are stripping away masks of legitimacy that deadenders may yet cling to. And while these truths may be unpleasant to face, doing so will help hasten the demise, once and for all, of a truly criminal regime.

We visited a small village in southern Iraq near the Iranian border called Al Turabah, where we met remnants of one of the regime's most horrific brutalities, the Marsh Arabs. These are people for whom liberation came just barely in time to save a fragment of a civilization that goes back several millennia. But for the Marsh Arabs, the marches are no more.

For 10 years, Saddam drained their ancestral lands. Where there was once a lush landscape of productive freshwater marshes the size of the State of New Jersey, there is now a vast, nearly lifeless void, which one reporter with us likened to the surface of the moon. According to one estimate, the population of the Marsh Arabs in 1991 stood at half a million. But after Saddam's humanitarian and environmental crimes, it is believed that there are at most 200,000 left and less than 40,000 of those still in Iraq.

But at least there is still a Marsh Arab civilization capable of being preserved and hopefully restored. It is not likely that it would have lasted another 2 or 3 years, much less another twelve. The children in Al Turabah mobbed us, greeted us with loud applause and cheers of "Salaam Bush" and "Down with Saddam." But

their first request was not for candy or for toys. It was just a single word, "Water."

In the case of the many tens of thousands who were killed at the mass graves in Al Hilla or the prison of Abu Gharib, liberation did not come in time. We heard stories about buses full of people that villagers would watch pass by headed for a once public field that had been closed by the government. They reported hearing gunshots, assuming that the people were celebrating, as is sometimes customary. When the buses would pass by the villagers on the return trip with the buses completely empty, people began to suspect that something was terribly wrong.

Of course we know now that thousands of women and children were brought to places like the killing fields in Hilla, gunned down, and buried dead or alive. Today, some of their bodies have been retrieved from the earth. They now lay wrapped in plastic bags in neat rows on the dirt. They wait for someone to claim them. The graveyard in Hilla is just one of dozens that have been discovered to date in Iraq.

Indeed, while we were in the north with the 101st Air Assault Division, General Petraeus told us that they had temporarily stopped the excavation of a newly discovered mass grave site after unearthing 80 remains, mostly women and children, some still with little dresses and toys.

At the prison at Abu Gharib, we saw the torture chamber and industrial-style gallows that conducted group executions regularly twice a week. We were told that 30,000 people, and perhaps as many as 100,000 were killed there over the years.

Mr. Chairman, I do not recite these in order to go over history. I recite them because one of my strongest impressions is that the fear of the old regime is still pervasive throughout Iraq. A smothering blanket of apprehension and dread, woven by 35 years of repression, where even the smallest mistake, the smallest whisper to a friend, could bring imprisonment or torture or death. That will not be cast off in a week's time.

Iraqis are understandably cautious. And until they are convinced that every remnant of Saddam's old regime is being removed and until a long and ghastly part of their history is put to rest, that fear will remain. So the history of atrocities and the punishment of those responsible are directly linked to our success in helping the Iraqi people build a free, secure, and democratic future. And, I might add, to our search for the weapons of mass destruction programs.

In that light, what happened to the miserable Hussein brothers last week is an important step in making Iraqis feel more secure that the Baathist tyranny will not return, an important step in our efforts to restore order, to give freedom a chance, and to make our own troops more secure.

Even in Baghdad, far from the Shi'a and Kurdish areas that we commonly associate with Saddam's genocidal murders, enthusiastic and prolonged celebrations over the news of their deaths erupted almost at once, suggesting something else that we observed, Mr. Chairman, Saddam and his sons were equal opportunity oppressors. His victims included Sunni as well as Shi'a, Arabs as well as Kurds, Muslims as well as Christians. And in fact, the Turkish

Foreign Minister, who was here last week, asked us to please stop referring to it as the Sunni triangle. The Sunnis were victims as well.

The same day Uday and Qusay were killed, we also captured number 11 on the list, the commander of the Special Republic Guard. That is the unit whose job it was to spy on the Republican Guard. The purpose of the Republic Guard was to ensure the loyalty of the regular army. And, of course, there was something call the Special Security Organization that kept an eye on the Special Republican Guard. That was the system of checks and balances in Saddam's Iraq.

So the roots of that regime go deep, burrowing into precincts and neighbors like a huge gang of organized criminals. And it is the coalition's intensified efforts on finding capturing mid-level Baathists that we believe will yield increasing results in apprehending the contract killers and dead-enders who are now targeting our soldiers and targeting our success.

Major General Ray Odierno, the commander of the 4th Infantry Division, told us that tips are on the rise. And that was even before the deaths of Uday and Qusay. The number of Iraqis providing information to our troops have been increasing over the last couple of weeks. Those tips have led to significant seizures of weapons, including a week ago, over the course of a week, some 660 surface to air missiles. It is important to remember that the people who want the return of the old regime are just a tiny fraction of the Iraqi people. But even if it is only 1 in 1,000, that is still 20,000. And it is not a small number.

I think it is also important to note that this low intensity conflict may be the first in history where contract killing has been the principal tactic of the so-called guerrillas. In Nasiriyah, for example, Iraqis have told us about offers of $200 to attack a power line and $500 to attack an American. Of course, that makes the point, too, that dealing with unemployment is part of dealing with security.

Let me say a little bit about what we learned region by region. And I will try to summarize what is in the written testimony. I think, Mr. Chairman, that you and Senator Hagel and Senator Biden can attest to the fact that there is more good news in Iraq than is routinely reported. We saw quite a bit of that.

Significantly, the military commanders that I have talked to, who have had experience in the Balkans, all said that in Iraqi we are far ahead of where we were in Bosnia or Kosovo at comparable times and, in some cases, even ahead of where we are today. Lieutenant General Rick Sanchez, the outstanding new commander of Joint Task Force 7 responsible for all of Iraq, is a Kosovo veteran. He was there during the first year. And during one of our briefings, he commented that things are happening in Iraq after 3 months that did not happen after 12 months in Kosovo.

I asked him to elaborate. And just off the top of his head, he jotted down a list of 10 things, which I have provided in my written testimony, including the fact that the judicial system is functioning, the fact that 90 percent of major cities have city councils. I believe, unless I misread his handwriting, he said the police force

is at about 80 percent of the requirement. I think that is a little high, but it is definitely moving in that direction.

That schools were immediately back up, that media are available across the country. I would note that not the media that we would most like to see, but there is a free press in Iraq for the first time in decades. Public services are nearly up to pre-war levels. I am again quoting from his note. And again let me emphasize that pre-war levels are nowhere near adequate. And we have to do a lot better. And in Baghdad, we are still not at pre-war levels on electricity. But that is real progress.

And number 10 on his list, and in my view most important, and I want to come back to this later, recruiting for the new Iraqi army has started with training to begin in a couple of weeks. In fact, the entire north and south are impressively stable. And the center is improving daily.

The public food distributions is up and running. We planned for a food crisis, but there is not one. Hospitals nationwide are open. Doctors and nurses are at work. Medical supply convoys are escorted to and from the warehouses. We planned for a health crisis, but there is not one. Oil production has continued to increase and for about the last week has averaged 1.1 million barrels per day. And as Senator Biden noted, it did not cost $5 billion to get there.

We planned for the possibility of massive destruction of this resource of the Iraqi people. But our military plan, I believe, helped to preserve the oil fields for the Iraqis. The school year has been salvaged. There are local town councils in most major cities and most major districts of Baghdad.

There is no humanitarian crisis. There is no refugee crisis. There is no health crisis. There has been minimal damage, wartime damage, infrastructure. And there has been no—there has not been the anticipated and much-feared environmental catastrophe either from oil well fires or from dam breaks.

However, as I related in May and as I related earlier, Saddam's legacy of destruction and decay is another story entirely. And that gives us major work to do.

We were particularly impressed in the south by the work of our coalition partners led by the British in the Basr area and in the Shi'a heartland with the two Shi'a holy cities of Najaf and Karbala by U.S. Marines. Our Army civil affairs teams are equally impressive in that effort. They have created functioning local government and councils free from Baathist influence. I would note we have one Harvard-trained lawyer, an enlisted woman in the Army Reserves, who is now trying the previous government of Karbala, whom we mistakenly appointed and is now in jail on corruption charges.

The present Governor—excuse me. That is in Najaf. The Governor of Karbala captured the development best when he told us, and I am quoting from him now, "We Shi'a have theological ties to Iran, but we refuse to be followers of any country outside of Iraq. I want to stress," this Governor said, "we aspire to independence and democracy. We want to heal the wounds from the past regime's atrocities. We want to build factories, bring in the Internet, practice our religious rights and freedom, have good relations with our neighbors and the world. The marines in Karbala," he said, "com-

manded by Lieutenant Colonel Lopez"—that is Lieutenant Colonel Matt Lopez for his parents—"work day and night with our governing council to provide security and services."

I asked him if he would like to visit the United States. And he beamed. He said, "I have not been allowed to leave Iraq for 35 years. I would love to visit your country."

Mr. Chairman, in the north we saw another success story led by General David Petraeus and his troops of the 101st Air Assault Division, who arrived in Mosul on the 22nd of April, I would note, after liberating Najaf and Karbala in the south. Over the next 30 days, they put together an impressive list of accomplishments. In my written testimony, I have some 20 of them. I will not take your time. You can read them.

What I would like to mention, though, is just one example of the kind of imagination and ingenuity that his troops are doing. We took a walking tour of the center of Mosul with an army company responsible for security in that area. And security is a serious business. They, a few weeks ago, captured seven terrorists, I believe mostly foreigners holed up in an apartment in the town square. Since getting rid of those people, it has been stable. But they go around in full body armor and guns at the ready.

But as we were passing a line of butcher shops, the company commander, Captain Paul Stanton, told me a fascinating story about how they had dealt with a problem involving the town's meat cutters. It seems that the butchers were slaughtering their animals on the streets and dumping the carcasses in front of their shops. To get this rather unsanitary problem under control, our soldiers organized a civic association of butchers, so that they would have an authoritative institution with which they could deal.

This was something unheard of in pre-war Iraq. In the old regime, organized associations were not allowed. For this purpose, they were not necessary. If there was a problem dumping carcasses in the street, you simply shot a few butchers, and the rest got the point.

We deal differently. And when I heard this imaginative solution, I jokingly asked Captain Stanton if they had taught him that at West Point. And of course he said no. He said they had had to figure that out as they went along. But, of course, that is something that Americans, including our wonderful soldiers, have in their fingertips, something that they bring from the civic culture in this country to help build a civic culture in Iraq.

Mr. Chairman, the 4th Infantry Division in what I will now stop calling the Sunni triangle, but is the Baathist triangle, the Saddamist triangle, the 4th Infantry Division has a tougher task, because the security problem is much more severe. General Ray Odierno and his troops have done an impressive job in confronting that challenge.

He briefed us on Operation Peninsula Strike, Operation Sidewinder, Operation Soda Mountain. Each in succession had been effectively rooting out mid-level Baathists, some senior Baathists, capturing surface to air missiles, rocket propelled grenades, and other horrendous devices. He said that as we continue to capture and kill the foot soldiers, it is becoming increasingly more difficult for the mid-level Baathist financiers to organize, recruit, and main-

tain their force of hired killers. And they are also very good, after any operation, going into the villages where they have been and handing out chickens and soccer balls and making amends for any damage they may have done.

General Odierno's troops are also responsible for the city of Kirkuk, which is a much more stable area, in fact, one of the most stable in the country, I think. There, an interim governing counsel has been established, whose members are working together. It is a very multi-ethnic group, including Arabs, Sunni Arabs, Shi'a Arabs, Sunni Turks, Sunni Kurds, Christians, including three women.

My meeting with that council was one of the most heartening of all in our trip. Many of the 18 members spoke of their gratitude to President Bush and to Prime Minister Blair and to the coalition troops for their liberation. The word liberation was used repeatedly.

Most stunningly, an old Arab member of the council spoke eloquently about the need to return Kurdish property to its rightful owners. "All Iraqis were victims of the last regime," he said. One member of the council said, "Please tell President Bush thank you for his courageous decision to liberate Iraq. Many American soldiers have volunteered their lives for our liberation."

Another member commended the tireless efforts of General Odierno and his army. And finally, one, speaking in English, asked me when the U.S. Government was going to "confront Arab television for their incitement to kill Americans." Obviously, he pointed to another challenge that we face.

Mr. Chairman, you recently said that our victory in Iraq will be based on the kind of country we leave behind. Just 89 days after the end of major combat operations, our forces and their coalition partners are making significant progress in helping Iraqis build the kind of country that will reflect their enormous talents and resources and that they can be proud of one day.

Getting rid of the Hussein regime for good is not only in the interest of the Iraqi people, it enhances the security of Americans and of people throughout the Middle East. To those who question American resolve and determination, I would remind them that we are still playing our crucial role in Bosnia 8 years after the Dayton Accord, long after some predicted we would be gone. And we continue to be the key to stability in Kosovo and in Macedonia. But the stakes in Iraq for us are even greater than they are in the Balkans.

Mr. Chairman, the military and rehabilitation efforts now underway in Iraq are an essential part of the war on terror. In fact, the battle to secure the peace in Iraq is now the central battle in the war on terror.

General Abizaid met with some reporters over lunch with us while we were on our visit. And he said something that I believe is quite profound. I would like to quote it. And I would like to note that General Abizaid is not only an outstanding commander and a great soldier, he is a real expert on the Middle East. He is fluent in Arabic. He served in Lebanon. He commanded a battalion in northern Iraq in Operation Provide Comfort. He speaks from deep experience. And this is what he said.

He said, "We all make mistakes by wanting to only examine Iraq or only examine Afghanistan or examine the Palestinian-Israeli theater. We look at things through a soda straw. And we seem to think, well if we just focus our particular energies and efforts on dealing with problems in Iraq, you know, we will solve the Iraq problem. But the truth of the matter is," he said, "that this whole difficulty in the global war on terrorism is that it is a phenomenon that is without borders. And the heart of the problem is in this particular region; i.e., the Middle East. And the heart of the region happens to be Iraq.

"And so," he said, "it is not just a matter of somehow or other fighting a global war on terrorism with special operations forces, it is a matter of having a policy that aims to bring a certain liberalization in the way that people look at the world. And if we are successful here in Iraq, I believe it is a unique opportunity for the whole region. I think I am pretty inarticulate on it," he said. I would disagree with that one part of his statement. He is very articulate, and I agree with him strongly. "But I guess it is to say you cannot separate the global war on terrorism from what is happening here in Iraq. And you cannot separate the struggle against Baathists from the global war on terrorism. And if we cannot be successful here," he said, "we will not be successful in the global war on terrorism. And that means," and this is important, "and that means," he said, "it is going to be long and it is going to be hard and it is going to be sometimes bloody. But it is a chance, when you combine it with initiatives in the Arab-Israeli theater and initiatives elsewhere, it is a chance to make life better, to bring peace to an area where people are very, very talented and resources are abundant, especially here in Iraq.

"So I think the opportunity that is before us is quite, I think, "he said, "incredible."

Mr. Chairman, what that statement says, and it says it quite eloquently, is that the war on terrorism is a global war, and it is a two-front war. One front is killing and capturing terrorists. The other front is building a better future, particularly for the people of the Middle East. So the stakes in Iraq are huge. And there is no question that our commitment must be equal to the stakes.

Last, President Bush said that our nation will give those who wear its uniform all the tools and support they need to complete their mission. Mr. Chairman, I applaud the determined dedication of this committee, of you personally, in helping the American people understand the stakes that we have in securing success in Iraq.

Mr. Chairman, in my written statement I go on at some length about the question of how many troops we need. We can get into that in questions. But I would like to say something that is very important here. Because the most—we do not need more American troops. At least our commanders do not think we do. What we need most of all, we need international troops, yes. We need actionable intelligence, yes. But what we need most of all are Iraqis fighting with us. The Iraqi people are part of this coalition. And they need to be armed and trained to participate.

We have begun recruiting and training Iraqis for a national army and are about to begin recruiting for a civilian defense force. That force could take over some important tasks from our troops, such

as guarding fixed sites and power lines. There is no reason that Iraqis could not be guarding the hospital from which someone threw a grenade last week that killed three of our marines.

Mr. Chairman, your colleagues in the Senate and the House can help. To accelerate this process, we urgently request that you support the Armed Services Committee in restoring, in conference, the $200 million in authority that we requested from the Congress in our budget this year, authority to equip and train indigenous forces fighting with Americans in Iraq or Afghanistan or elsewhere.

It was dropped apparently because the Congress did not believe it was necessary. I hope it is clear now that it is necessary. It is much better to have Iraqis fighting and dying for their country than to have Americans doing the job all by themselves. And there is no shortage of Iraqis who are willing to help us. If there are 20,000 committed Baathists targeting our success, there are 19 million or more Iraqis who hate those people and would like to help us. We should not find that we are held back by a shortage of authority or money to give them the proper training and equipment to do the job.

One reason our commanders do not want more troops, Mr. Chairman, is that the function of American troops is to go after enemy that have been identified through actionable intelligence. When it comes to patrolling the streets of Iraqi cities, it is a disadvantage to have Americans. It means that our people are colliding with ordinary Iraqis trying to go about their day-to-day business. We want to get out of that posture as quickly as possible.

In fact, in Kirkuk the 4th Infantry Division has already managed to turn the entire policing job of a multi-ethnic city, in which many predicted there would be widespread ethnic conflict, and there has not been, to an Iraqi police force.

As we place our investments in a larger context, we must realize that greater stability in this critical region will save U.S. resources in the long run. And I agree strongly with what I heard Senator Biden saying and others have said, investments now that can deal with problems on an urgent basis while the window of opportunity is open, however long that may be. And I cannot predict how long it may be, but we have a time now when investments that might seem inefficient to someone trying to design the perfect scheme for standing up power, the perfect scheme for training an army, doing things rapidly, will have big payoffs.

But let us put it in some context. According to some estimates, it costs us slightly over $30 billion to maintain the so-called containment of Saddam Hussein for the last 12 years. And it cost us far more than money. The containment policy cost us American lives, lives lost in Khobar Towers, on the USS *Cole*. It routinely put Americans in danger in enforcing the no-fly zones. And it cost us in even larger ways as well.

The American presence in the holy land of Saudi Arabia and the sustained American bombing of Iraq, which were part of that containment policy, were principal grievances, the principal grievances, cited in Osama bin Laden's notorious 1998 fatwa that called for the killing of Americans.

So we should consider what we might spend in reconstruction in Iraq against the billions that we have already spent elsewhere or

against the consequences, if we fail to win this global war on terror. We cannot fail.

But Iraq can contribute to its reconstruction and its rehabilitation. It is already doing so. And its share will increase as oil production increases and the Iraqi economy recovers. At this stage, it is impossible to estimate what recovery actually will cost. What we do know is that resources will come from a variety of resources. And the costs of recovery in Iraq need to be shared widely.

The international community has a vital interest in successful recovery in Iraq and should share responsibility for it. The international community has recognized its responsibility to assist us in peacekeeping efforts. Nineteen nations are now providing more than 13,000 troops on the ground and more on the way. And we are in active discussions with a number of very important countries, including Turkey and Pakistan, about further possibilities.

Mr. Chairman, when President Bush spoke in the Rose Garden with Ambassador Bremer at his side, he said, "Our military forces are on the offensive." Indeed they are. And they are doing an incredible job. Everywhere I went, I found troops with heartwarming stories about the reception they have received for Iraqis. They express some bewilderment about the news coverage they see.

One soldier asked, "Don't the folks back home get it?" They understand that helping Iraqis build a free and democratic society will make our children and grandchildren safer. Our troops are brave when they have to fight, and they still have to fight. And they are caring and clever, extraordinarily ingenious, when they deal with humanitarian and political and civil military challenges.

Their relations with non-governmental organizations, form one meeting I held with those groups, are going extremely well. And I believe the Iraqi people understand that we are there to help.

Mr. Chairman, the mayor of Karbala said, "We want to establish a national government and maintain relations with America." The people of northern Iraq, free from Saddam's tyranny for the last 10 years, 12 years, have demonstrated to a remarkable degree what Iraqis can do with freedom. And my meetings with newly freed Iraqis tell me they are looking to do the same thing.

The mayor of Mosul, who is a Sunni Arab and a former army commander who spent a year in prison because his brother, who was executed, had been suspected of coup planning, said that life under the old regime—this is a Sunni, I remind you, Sunni Arab—"was like living in a prison." He described that regime as "a ruthless gang that mistreated all Iraqis."

His top priorities are investment and jobs. But he said to do that we need security. He credited the wisdom of General Petraeus in improving the security situation. And he added that jobs and investment will follow.

I asked the mayor if ethnic differences will prevent people from working together. And the Turcoman assistant mayor immediately said, "What caused this great ethnic gap here was Saddam. Throughout our history, we have had no problems." Slight exaggeration, but not too far. "This happened only in our recent history. We consider ourselves," this Turk said, "one garden with many flowers of different colors."

So even though the enemy targets our success, we will win the peace. But we will not win it alone. We do not need American troops to guard every mile of electrical cable. The real center of gravity will come from the Iraqi people themselves. They know who and where the criminals are. And they have the most at stake, namely their future.

We have shown them that we mean to stay until the old regime is crushed and its criminals punished and that we are equally determined then to give their country back to them. They will know they can truly begin to build a society and a government that is of, by, and for the Iraqi people.

In many ways, they are like people who have been prisoners who have endured many years of solitary confinement, without light, without peace, without much knowledge of the outside world. They have just emerged into the bright light of hope and the fresh air of freedom. It may take awhile for them to adjust to this new landscape free of torture trees. But they are.

Last week, the President told us why it is so crucial that we succeed in Iraq. He said, and I quote, "A free, democratic, peaceful Iraq will not threaten America or friends with illegal weapons. A free Iraq will not be a training ground for terrorists or a funnel of money to terrorists or provide weapons to terrorists who would be willing to use them to strike our country or our allies. A free Iraq will not destabilize the Middle East. A free Iraq can set a hopeful example to the entire region and lead other nations to choose freedom. And as the pursuits of freedom replace hatred and resentment and terror in the Middle East," the President said, "the American people will be more secure."

Make no mistake, our efforts to help build a peaceful Iraq will be equal to the stakes. We look forward to doing our part to work with you, Mr. Chairman, members of your committee, and the other Members of the Congress to help make America and her people more secure. Thank you for giving me so much time.

[The prepared statement of Mr. Wolfowitz follows:]

PREPARED STATEMENT OF HON. PAUL D. WOLFOWITZ, DEPUTY SECRETARY OF DEFENSE

Mr. Chairman and Members of the Committee: On behalf of the men and women who serve our country so faithfully and so well, I would first say that we are indeed grateful for your continued and unfailing support.

I returned last week from a four-and-a-half-day visit to northern, central and southern Iraq. With incredible support from the U.S. military, my staff and I were able to cover a great deal of territory in a relatively short time. In fact, I think we saw what would normally have taken a typical visitor two weeks to see—and in temperatures that hovered near or above 120 degrees. In light of this, my gratitude to our military men and women only deepened—not only for the support they gave us, but in recognition of the fact that they do so much more—in grueling heat and in conditions far less agreeable than those they provided for us—day after day, without stopping. They are doing an absolutely stunning job, and I appreciate the opportunity to discuss with you today their vital work, and offer you my firsthand testimony on the current situation in Iraq.

Behind the police academy in Baghdad stands the forked trunk of a dead tree. It is unusual for the fact that, on each branch, the bark is permanently marked by two sets of ropes—one high enough to tie up a man, the other, a woman. Near the tree is a row of small cells where special prisoners were held.

Our guide on our tour of the academy was the newly-appointed superintendent; he himself had spent a year in jail for having made a disparaging comment about Saddam—to his best friend. He told us of unspeakable things that once happened to men and women tied to that tree and held in those cells. Beyond the torture tree,

a small gate leads to the Olympic Committee Headquarters, run by Uday Hussein, who would often slip through the back gate at night to torture and abuse prisoners.

That is the same tree behind the police academy that was reported in such gruesome detail in the July 23th "Washington Post." The article focused on the sad plight of one Assyrian Christian woman who was tied to that tree and made to endure unspeakable torture. Her husband was executed at the academy and passed through the steel gate, as the article described it, "like a piece of butcher's meat"—all because they had not received state approval for their marriage.

There is a positive aspect in the distressing story of Juman Michael Hanna—that is her courage in coming forward to offer U.S. officials what is very likely credible information, information that will help root out Baathist policemen who routinely tortured and killed prisoners. Bernard Kerik, senior policy advisor to the Iraqi ministry of the interior, is quoted as saying that that woman's information "is an event that will lead to closure for a lot of people"—and, he added—"justice."

Mr. Chairman, I believe that is the same police academy that you and Senators Biden and Hagel visited during your trip to Iraq just a few weeks ago. But, I believe that our understanding of the academy's former role in the regime continued to evolve after your trip to Baghdad. This, of course, is due to Mrs. Hanna's brave testimony about crimes committed against her and countless others and who was responsible. This evolution in our understanding of but one aspect of the regime points to one of the most formidable challenges facing us right now. The people of Iraq have much valuable information that can help us root out Baathists and help them find justice. But their willingness to tell us what they know will continue to take significant investments on our part—investments in our time, of our resources, and in our efforts to build trust among the Iraqi people. *The military and rehabilitation efforts now under way in Iraq are an essential part of the War on Tenor. In fact, the battle to secure the peace in Iraq is now the central battle in the global war on tenor.*

HISTORY OF ATROCITIES AND PUNISHMENT LINKED TO FUTURE SUCCESS

In *Republic of Fear,* Kanan Makiya writes about receiving a letter from an Iraqi refugee in Europe who claims to have been an agent in the Iraqi secret police for seven years. In the letter, the former agent draws this conclusion: "Confronting an experienced criminal regime such as the present one in Baghdad can be done only with truths that strip off its many masks, bringing its demise closer."

Traveling throughout Iraq last week, I heard many accounts of unspeakable brutality—on a scale unimaginable for Americans. I saw truths that strip away masks of legitimacy that regime dead-enders may yet cling to. And while these truths may be unpleasant to face, doing so will help hasten the demise, once and for all, of a truly criminal regime.

While we were in the North, one of our commanders in the field told us they had temporarily stopped the excavation of a newly discovered mass gravesite, after unearthing the remains of 80 women and children—some still with little dresses and toys.

In the South, in the village of Al Turabah, we met other remnants of the regime's horrific brutality, the Marsh Arabs, for whom liberation came only barely in time to save a fragment of this ancient civilization. But, for the Marsh Arabs, the marshes are no more. For more than 10 years, Saddam drained their ancestral lands—in one instance, diverting water to create artificial lakes around the lavish palaces he built for himself near Babylon. Where there was once a lush landscape of productive, fresh-water marshes the size of New Jersey, there is now a vast, nearly lifeless void, which one observer with us likened to the surface of the moon.

According to one estimate, the population of the Marsh Arabs once stood at half a million; but after Saddam's humanitarian and environmental crimes, it is believed there are at most 200,000 left—and less than 40,000 of those were not driven from their ancestral home. At least there is still a Marsh Arab civilization capable of being preserved. But, it is likely it would not have lasted another two or three, much less another 12 years. Children in Al Turabah greeted us with loud applause and cheers of "Salaam Bush" and "Down with Saddam." Their first request was not for candy or toys. It was, instead, a single word: "Water?"

In the case of many tens of thousands who were killed at Al Hilla and Abu Gharib, however, liberation did not come in time. I've heard stories about buses full of people that villagers would watch pass by, headed for a once-public field that had been closed by the government. They reported hearing gunshots, assuming that the people were celebrating, as is sometimes customary. When the buses would pass by the villagers on the return trip—completely empty—people began to suspect that

something was wrong. When this happened over and over, the villagers began to fear the worst.

Of course, we know now that tens of thousands of men, women and children were brought to places like the killing fields in Hilla, gunned down, and buried, dead or alive. Today, some of their bodies have been retrieved from the earth—they now lay, wrapped in plastic bags, in neat rows on the dirt. They wait for someone to claim them. The graveyard in Hilla is only one of dozens that have been discovered to date throughout Iraq.

At the prison at Abu Gharib, we saw the torture chamber and an industrial-style gallows that conducted group executions regularly, twice a week. We were told that 30,000 people—and perhaps as many as 100,000—were killed there over the years. (According to a variety of witnesses, in the spring of 1998, Qusay Hussein ordered officials to kill thousands of prisoners to make room for more. As many as 3,000 prisoners were executed by the regime, as part of a larger program of "prison cleansing.")

One of my strongest impressions is that fear of the old regime is still pervasive throughout Iraq. But, a smothering blanket of apprehension and dread woven by 35 years of repression—where even the smallest mistake could bring torture or death—won't be cast off in a few weeks' time. Iraqis are understandably cautious. Until they are convinced that every remnant of Saddam's old regime is being removed, and until a long and ghastly part of their history is put to rest and overcome, that fear will remain. *That history of atrocities and the punishment of those responsible are directly linked to our success in helping the Iraqi people build a free, secure and democratic future.*

What happened to the Hussein brothers last week is essential to the process of building that future. Their demise is an important step in making Iraqis feel more secure that the Baathist tyranny will never return, in restoring order and in giving freedom a chance. Even in Baghdad, far from the Shi'a and Kurdish areas that we associate with Saddam's genocidal murders, enthusiastic and prolonged celebrations over the news of their deaths erupted almost at once—suggesting something else I observed: Saddam and his sons were equal opportunity oppressors.

It was a significant step forward to get Numbers 2 and 3 on our most-wanted list of regime criminals. That same day, we captured Number 11 on the list, the commander of the Special Republican Guard, the unit whose job was to spy on the Republican Guard. But, we've learned in our days on the ground that the roots of that regime go deep—burrowing into precincts and neighborhoods, like a huge gang of organized criminals. So, it is the coalition's intensified focus on mid-level Baathists that we think will yield even greater results in apprehending the contract killers and dead-enders who now target our soldiers and our success. Recently captured functionaries have revealed new and helpful information, and we are working to encourage this trend.

According to Major General Ray Odierno, commander of the 4th Infantry Division, tips are on the rise following the deaths of Uday and Qusay. But, even before that happened, he said that the number of Iraqis providing information to our troops had been increasing in the last couple of weeks. He thinks the rise is because they feel confident that we will act on the information. Tips have led to the seizure of significant weapons caches, as well, to include some 660 surface to air missiles. It is important to remember that the people who want the return of the old regime are a small fraction of the Iraqi people.

As Ambassador Bremer pointed out when he was here last week, ongoing and aggressive military operations pick up a number of detainees every day, following up on information provided by Iraqis. They are pursuing Fedayeen Saddam and mid-level Baathists. They are arresting them and interrogating them. In fact, during one of our briefings, we saw an impressive 4th Infantry Division flow chart that goes from the mid-level Baathists through the facilitators down to the individual perpetrators.

And it's important to remember that before the start of military operations in Iraq, Saddam released tens of thousands of prisoners who have also been part of the violence. In Nasiriyah, for example, Iraqis have told us about offers of $200 to attack a power line and $500 to attack an American.

SUCCESSES, REGION BY REGION

While many Iraqis may still remain in the grip of fear, our troops, our coalition allies and the new national and local Iraqi councils are making significant progress in lessening its iron hold. Mr. Chairman, I think you and Senators Hagel and Biden can attest to the fact that there is far more good news in Iraq than is routinely reported. I'd like to give you a snapshot tour of what I saw and heard last week.

One interesting thing I would note first is that the military commanders I talked with who have experience in the Balkans uniformly agreed that, in Iraq, we are far ahead of where we were in Bosnia and Kosovo at comparable times, and in some cases, we are ahead of where those places are today. Lieutenant General Rick Sanchez, the outstanding new commander of Joint Task Force 7, is a veteran of Kosovo. During one of our briefings, he commented that things are happening in Iraq after three months that didn't happen after 12 months in Kosovo. I asked him to elaborate, and off the top of his head, he jotted down a list of 10 things. I'd like to share General Sanchez's list with you.

1. The judicial system is functioning at a rudimentary level. Investigative judges are working and misdemeanor trials are ongoing with convictions.

2. The political infrastructure is functioning. Neighborhood, district and city councils have been stood up. Over 90% of major cities have city councils and there is a National Level Interim Governing Council.

3. The police force is at about 80% of the requirement. Police are conducting joint and unilateral effective operations.

4. Customs, fixed site security are all well on the way to being stood up. Multiple ports of entry are being operated by the Iraqis.

5. Schools were immediately stood back up. At all levels the school year was salvaged.

6. The medical system is operating.

7. The media, all types, are available across the county.

8. The local economies are bustling—oil, agriculture and small business.

9. Public Services—electrical, water, sewage are nearly up to pre war levels.

10. Recruiting for the New Iraqi Army has started with training to begin within a couple of weeks.

In fact, the entire south and north are impressively stable, and the center is improving day by day. The public food distribution is up and running. We planned for a food crisis, but there isn't one. Hospitals nation-wide are open. Doctors and nurses are at work. Medical supply convoys are escorted to and from the warehouses. We planned for a health crisis, but there isn't one. Oil production has continued to increase, and for about the last week, has averaged 1.1 million barrels per day. We planned for the possibility of massive destruction of this resource of the Iraqi people, but our military plan helped preserve the oil fields for the Iraqis.

The school year has been salvaged. Schools nationwide have reopened and final exams are complete. There are local town councils in most major cities and major districts of Baghdad, and they are functioning free of Baathist influence.

There is no humanitarian crisis. There is no refugee crisis. There is no health crisis. There has been minimal war damage to infrastructure. There has been no environmental catastrophe, either from oil well fires, or from dam breaks.

However, as I related to this Committee in May, Saddam's legacy of destruction and decay is another story entirely.

South: In the South, the Marines are making wonderful progress. Major General Jim Mattis, commander of the First Marine Expeditionary Force, told us how effective his battalion commanders—typically lieutenant colonels—have been at the hub of activity in the cities. They have stressed creating a supportive environment, by parking their tanks out of sight, and getting in among the people to win their trust and confidence. In one example, the Marines gave out chilled water—a precious commodity as you can imagine—to demonstrators at political rallies. Whenever the Marines have rebuilt a school—and in Karbala alone there are nine such schools—they present a brass bell with the inscription: "To the children of Iraq from the First Marine Division."

Our Army Civil Affairs teams are equally impressive. They have created functioning local governing councils free from Baathist influence. The governor of Karbala captured this development best when he told me: "We Shia have theological ties to Iran, but we refuse to be followers of any country outside Iraq. I want to stress, we aspire to independence and democracy. We want to heal the wounds from the past regime's atrocities. We want to build factories, bring in the Internet, practice our religious rites in freedom, have good relations with our neighbors and the world. The Marines in Karbala—Commanded by LtCol Lopez—work day and night with our Governing Council to provide security and services."

North: Stability in the north is another success story. General Dave Patraeus and his troops of the 101st Airborne arrived in Mosul on 22 April and over the next 30 days they put together this impressive list of accomplishments:

- Met with community leaders;
- Agreed on an election plan;
- Established an elected interim city council;
- Re-opened hospitals, schools, banks and businesses;
- Set up a Civil-Military Operations Center (CMOC);
- Repaired the strategic bridge on the Mosul-Irbil road;
- Fixed the benzene and propane shortages;
- Opened the airport to humanitarian assistance flights;
- Signed the Makhmur harvest accords between Kurds and Arabs;
- Completed the wheat harvest;
- Re-opened the border with Syria so trade could resume;
- Set up the new Mosul newspaper;
- Paid government workers;
- Re-established train service;
- Established Task Force Neighborhood and Task Force Graffiti and helped clean up the city; Task Force Pothole employs Iraqis and improves the roads;
- Conducted joint police patrols;
- Began training a new police force;
- Diplomatically removed Peshmerga forces from disputed areas to back above the green line;
- Average 300 day, 300 night, and 90 joint sector security patrols (U.S. with local police); and have established air and ground quick reaction forces to respond to Baathist attacks.
- They are currently supporting 10 major CPA funded reconstruction projects.

General Petraeus said they have invested in water, electricity, roads, schools, hospitals, banks, agriculture, summer youth leagues, community swimming pools, orphanages, and kids amusement park projects. He believes there are reasons for continued optimism in the north. They include: the quality of interim government leadership; citizen trust and confidence in Coalition forces; a good university and school system; functioning food and fuel distribution systems; access to trade with Turkey and Syria; relatively good infrastructure; natural resources (water, oil, farm land); growth of small businesses; educated, hard-working, entrepreneurial populace; and as the locals have said, there is a "thirst for democracy."

Center (4th Infantry Division): General Ray Odierno has a more difficult security challenge in the predominately Sunni areas and in areas close to the Iranian border. He understands the nature of the Baathist and foreign terrorist threat and how that interacts with and affects his civil-military programs. He said they have incredible tactical intelligence on the reactionary cells and are making solid progress in defeating this threat. He cites Operation Peninsula, Operation Sidewinder, and Operation Soda Mountain as effective in rooting out these forces. He said as we capture or kill the foot soldiers, it is becoming increasingly more difficult for the mid-level Baathist financiers to organize, recruit and maintain an effective force.

As he deals more and more effectively with the Baathist forces, he too has been able to complete an impressive array of civil-military projects in his area of responsibility. As in the north and south, they have established Battalion Commander "safe houses" throughout Kirkuk to more effectively interact with the population. They have stood up and are training a police force. An interim Governing Council has been established whose members are reportedly working effectively together—and, like in the north, are multi-ethnic. And three are women. In two weeks Council members will be taking phone-in callers on local radio shows. Contractors are busy repairing the oil infrastructure in the Kirkuk oil fields. And the Badr Corps influence has calmed down considerably.

My meeting with the Kirkuk Interim Governing Council members was perhaps the most heartening of all. Many of the 18 members spoke of their gratitude to President Bush and our troops for their liberation. The word "liberation" was used repeatedly by the members. An Arab member spoke eloquently of the need to return Kurdish property to their rightful owners. "All Iraqis were victims of the last regime," he said. Others spoke of American troops working with us "in a nice way to help solve our problems," that "doors are always open to us" and that "we found out the Americans are our brothers who came as liberators not as conquerors."

One member said: "Please tell President Bush thank you for his courageous decision to liberate Iraq. Many American soldiers have volunteered their lives [for liberation]." The Turcoman member asked that I convey to President Bush the

Turcoman communities thanks for liberation. Another member commended the "tireless efforts of General Odierno and his army" in helping the Iraqi people. And finally, a member, speaking English, asked me when the U.S. government was going to "confront Arab television for their incitement to kill Americans?" Obviously, he pointed to another challenge we must face.

Mr. Chairman, you recently said that our victory in Iraq will be based on the "kind of country we leave behind." Just 89 days after the end of major combat operations, our forces and their coalition partners are making significant progress in helping Iraqis build the kind of country that will reflect their enormous talents and resources, and that they can be proud of one day.

RESOURCES TO GET THIS JOB DONE

Getting rid of the Hussein regime for good is not only in the interest of the newly liberated Iraqi people, it enhances the security of Americans and of people throughout the Middle East. We will not conclude our efforts until the Baathist regime is dead, and the Iraqi people have begun to build an Iraq that is, whole, free, and at peace with itself and its neighbors. To those who question American resolve and determination, I would remind them that we are still playing a crucial role in Bosnia eight years after the Dayton Accord, long after we predicted we would be gone. And we continue to be the key to stability in Kosovo and in Macedonia. But the stakes in Iraq for us are even greater than they are in the Balkans.

And if the stakes are huge in Iraq—and they are, since tyranny breeds terror—there is no question that our commitment to secure a peaceful Iraq must be at least equal to the stakes—it is related to nothing less than our security and the peace of the world. As the Vice President said last week, "a more peaceful, stable Middle East will contribute directly to the security of American and our friends."

I applaud the determination and dedication of this Committee, Mr. Chairman, in helping the American people understand the stakes we have in securing success in Iraq.

Also last week, President Bush said that "our nation will give those who wear its uniform all the tools and support they need to complete their mission." It is vital that our commanders in the field and Ambassador Bremer get what they need. The payoff will be much greater than the investments we make now.

Mr. Chairman, I would add that there is no artificial ceiling on the number of troops that we will deploy to Iraq to defeat this enemy. Our commanders have been asked repeatedly whether they need more troops, and the answer from General Abizaid, as well as his subordinate commanders, has repeatedly been, not only don't they need more, they don't want more. What they do want more of is this:

- Forces from other countries. We're making some substantial progress in that regard. I visited the Polish general who will be commanding the multinational division in southern Iraq. The Polish brigade in that division will have responsibility for the Province of Karbala, one of the most important cities in the Shi'a heartland that many people predicted would be difficult to manage. It has not proven difficult, and the Poles are enthusiastic about taking on the assignment. In that same multinational division, the Spanish brigade will be taking charge of the other major holy Shi'a city, Najaf. Further south, under the British multinational division, an Italian infantry brigade—which will include some 400 carabinieri—will be performing security and stability operations.
- The second thing they need more of is actionable intelligence. And the key to getting more intelligence is cooperation from Iraqis, as I mentioned earlier in my statement. That cooperation has been increasing substantially. One product of that cooperation, of course, was the Iraqi who turned in the two miserable brothers who were killed last week. That event itself has led to a large increase in the amount of intelligence that Iraqis are bringing to us,—indeed such a large increase that we now have the challenge of sorting out the wheat from the chaff.
- Third and most important, what we need are Iraqis fighting with us. We've begun recruiting and training Iraqis for an Iraqi civilian defense force that would take over some important tasks from our troops such as guarding fixed sites and power lines. There is no reason that Iraqis could not be guarding the hospital from which someone threw a grenade that killed three of our Marines last week. To accelerate this process, we urgently request that you assist the Armed Services Committee to restore in conference the $200 million in authority that we requested from the Congress in our budget this year. It was dropped, apparently because the Congress in its wisdom did not believe that it was necessary. I hope that it is clear now why it is necessary. It is much better

to have Iraqis fighting and dying for their country than to have Americans doing the job all by themselves. There is no shortage of Iraqis who are willing to help us. We should not find that we are held back by a shortage of authority and money to give them the proper training and equipment to do the job.

I urge you and your colleagues on the Armed Services Committee to understand that this is an extremely urgent need, and special consideration must be given to provide this critical training and equipping authority to the Department.

One reason our commanders don't want more troops is that the function of American troops is to go after enemy that have been identified through actionable intelligence. When it comes to patrolling the streets of Iraqi cities, it is a disadvantage to have American troops. It means that our people are colliding with ordinary Iraqis trying to go about their day-to-day business. We are trying to get out of that posture as quickly as possible. In fact, the 4th Infantry Division in the city of Kirkuk has already managed to turn the entire policing job over to Iraqi police for that crucial city of mixed ethnic population. Where we have to use American troops, we will do so, but no one should think that it is the desirable solution.

As we place our investments into a larger context, we must realize that greater stability in this critical region will save our resources in the long run. We must not forget that containing Saddam and his regime was the goal. According to some estimates, it cost the United States slightly over $30 billion to maintain the containment of Saddam Hussein for the last 12 years.

And, of course, it cost us far more than money. It cost us American lives—in Khobar Towers, in the USS *Cole,* for example—and routinely put Americans in danger in enforcing the no fly zones.

And it cost us in an even larger way as well. The American presence in the holy land of Saudi Arabia, and the sustained American bombing of Iraq as part of that containment policy, were principal grievances cited in Osama bin Laden's notorious 1998 fatwa that called for the killing of Americans.

It is also worthwhile to consider what we might spend on reconstruction in Iraq against the billions that we've already spent in Bosnia and Kosovo. I think most would agree that those investments have been a worthwhile expenditure. But, stability in Iraq is vastly more important. It is directly related to the future of one of the most important regions in the world and to our own security. When we completely defeat Saddam's brutal regime, it will be a defeat for terrorists globally. The value of that victory is incalculable.

Iraq is already contributing to its own reconstruction and rehabilitation, and Iraq's share will increase as oil production and the Iraqi economy recover. At this early stage, it is impossible to estimate what recovery in Iraq actually will cost. What we do know is that resources will come from a variety of sources. The costs of recovery in Iraq will be shared widely. The international community has a vital interest in successful recovery in Iraq and must share responsibility for it.

The international community has recognized its responsibility to ensure that Iraq can take its place among peace-seeking nations. In fact, 19 nations are now providing more than 13,000 troops on the ground.

Coalition support is significant, and it continues to increase. Our continued progress will depend on international assistance, including that of the United Nations. As we proceed, there should be no underestimating the task before us, and there should be no underestimating its importance.

TROOPS

When President Bush spoke in the Rose Garden last week with Ambassador Bremer at his side, he encapsulated what I've tried to sketch out for you with these simple words. He said, "our military forces are on the offensive." Indeed they are. They are doing an incredible job. Because they are so aggressively rooting out the dead-enders who are targeting the successes of the Iraqis and the coalition, we must be prepared for more American casualties and possibly even more dramatic attacks.

Our troops understand what they face, and I can tell you that their morale is almost uniformly high. They are committed to their mission. They know exactly how important it is—to the people of Iraq and to America. And their obvious commitment to getting the job done right is having a positive effect on the people of Iraq.

Everywhere I went, I found troops with heartwarming stories about the reception they have received from Iraqis, how wonderful it felt for them to get that kind of welcome. They expressed some bewilderment about the news coverage they see. One person asked, "don't the folks back home get it?" They understand that helping Iraqis build a free and democratic society will help make our children and grandchildren safer.

Our troops are brave when they have to fight—and they still have to fight. And they are caring and clever—extraordinarily so—when they deal with humanitarian and political and civil military challenges. What they do in a day's work is inspiring, and it's a great tribute to the superb quality of people who serve this country. They are, quite literally, soldiers and statesmen.

In Mosul, we took a walking tour of the center of town with the Army company responsible for that area. As we were passing a line of butcher shops, the Company Commander told me a remarkable story about how they dealt with a problem involving the town's meat cutters. It seems that they were slaughtering the animals on the street and dumping the carcasses in front of their shops. To get this rather unsanitary problem under control, our soldiers organized an association of the butchers, so they would have an authoritative institution they could interact with. This was a new development for the butchers, of course. In the old regime, organized associations weren't allowed—they simply shot people who dumped things in the streets. When I heard their solution, I jokingly asked the young captain if they'd taught him that at West Point. He said, no. He said, they'd had to figure it out as they went along. Of course, that is something our troops are repeating throughout Iraq on a daily basis.

I also met with a group of non-government organizations, who also uniformly praised the work of our military. They said the conditions created by our military allowed them to get on the ground fast and that has helped their programs. The USAID representative said civil-military operations are "smooth as silk."

One of the big impressions I came away with is that the Iraqi people understand that our people are there to help. I sensed an enormous gratitude on their part for what has been done to bring about the liberation of the Iraqi people. That gratitude was obvious across all the communities we encountered.

IRAQI PEOPLE ARE WITH US

The mayor of Karbala expressed his personal gratitude, telling us "they would never forget that America saved us and delivered us from the regime." He went on to say, "We want to establish a national government and maintain relations with America."

The people of Iraq are not only looking ahead to the day when they have their own representative government, they are taking active steps to make that happen now. There are some who still ask the question: Is democracy possible in Iraq? There are even some who doubt that democracy could ever take root in the Arab world. But, the people of northern Iraq, beyond the reach of Saddam Hussein and his regime for a decade, demonstrated an impressive ability to manage longstanding differences and develop relatively free and prospering societies.

My meetings with newly-freed Iraqis tell me that they are looking to do the same thing. We attended a meeting of the Mosul city council, which was instructive in debunking the myth that Arabs, Kurds, Turcomen, Assyrian Christians and Yezidi cannot live and work together. The mayor of Mosul—who is a Sunni Arab and former Army commander who spent a year in prison and whose brother and cousin were murdered by the regime—said life under the regime "was like living in a prison." He described the regime as "a ruthless gang that mistreated *all* Iraqis." Investment and jobs, he said, are their top priorities. He credited the wisdom of General Patraeus in improving the security situation. He added that, jobs and investment will follow.

When I asked the mayor if ethnic differences will prevent people from working together, the Turcoman assistant mayor immediately said: "We have never had ethnic problems in the past. Saddam created them. We have always considered ourselves members of the same family. It never crossed our minds that the next person is different." To that, the mayor added: "What caused this great gap was Saddam. Throughout our history we have had no problems. This has happened only in our recent history. We consider ourselves one garden with many flowers of different colors."

Even though the enemy targets our success, we will win the peace. But, we won't win it alone. We don't need American troops to guard every mile of electrical cable. The real center of gravity will come from the Iraqi people themselves—they know who and where the criminals are. And they have the most at stake—their future.

When inevitable challenges and controversies arise, we should remind ourselves that most of the people of Iraq are deeply grateful for what our incredibly brave American and coalition forces have done to liberate them from Saddam's Republic of Fear.

When we've shown Iraqis we mean to stay until the old regime is crushed, and its criminals punished—and that we are equally determined to give their country

back to them—they will know they can truly begin to build a society and government of, by and for the Iraqi people.

In many ways, the people of Iraq are like prisoners who endured years of solitary confinement—without light, without peace, without much knowledge of the outside world. They have just emerged into the bright light of hope and fresh air of freedom. It may take a while for them to adjust to this new landscape free of torture trees.

Last week, the President told us why it is so crucial that we succeed in Iraq. He said: "A free, democratic, peaceful Iraq will not threaten America or our friends with illegal weapons. A free Iraq will not be a training ground for terrorists, or a funnel of money to terrorists, or provide weapons to terrorist who would be willing to use them to strike our country or our allies. A free Iraq will not destabilize the Middle East. A free Iraq can set a hopeful example to the entire region and lead other nations to choose freedom. And as the pursuits of freedom replace hatred and resentment and terror in the Middle East, the American people will be more secure."

Make no mistake: our efforts to help build a peaceful Iraq will be equal to the stakes. We look forward to doing our part to work with the members of Congress to help make America and her people more secure. Thank you.

The CHAIRMAN. Well, thank you very much, Secretary Wolfowitz, for a very eloquent and comprehensive statement that we requested you to make. You have fulfilled our hopes for you.

Let me say that we have many members here. We know that we are likely to be interrupted by rollcall votes at some time that will be inopportune. So I would suggest we try for a 5-minute limit on a first round. And that may be the only round. But we will try to economize time and recognize as many members as we can.

Let me begin my 5 minutes by saying, Secretary Wolfowitz, that I think all of us will want to look into the $200 million that you have suggested is needed for the training of Iraqis so that they can do the patrol duty and fill in on the ways that you have suggested. I think that is a very important suggestion.

Likewise, you mentioned that the $30 billion policy to contain Saddam was not inexpensive. This could lead to an interesting hearing all by itself on the reasons for fighting the war and the containment policy and what have you. I will not go there, but I noted that in passing.

Let me ask once again, my quest here is to try to think through the next 5 years. If you can, please see in your own mind's eye five blank sheets of paper. Now we heard from Mr. Hamre roughly that the budget of Iraq, incorporated, the government that preceded this, was about $30 billion a year. I never heard of that figure before. I do not know if it is 30, but you probably could establish it. In other words, $30 billion per year was the a sum of money, the revenues from all sources that Iraq used to pay for its governance.

Now you could argue that some of that was wasted on troops and palaces and so forth. So maybe Iraq does not need $30 billion to run a government. But in any event, they need some sum of money.

Now Mr. Bolten has filled in some important statistics with regard to where revenues come from now. And so did Ambassador Bremer. As I look at this, though, it seems to me important that it is showing not only our staying power and our vision, but also something to which the Iraqi assembly council or the evolution of a democratic group of Iraqis may want to make some amendments. We would say x number of dollars are going to be required for administration of this, this, this, and this, and they add up to something.

On the revenue side, the money is going to come from these sources: oil, of course, plus the confiscated assets which may turn up. These are going to run out. Mr. Bremer pointed that out. They may not run out this year, because they will stretch a few assets over to the next year. But that is about it for that. At some point this economy of Iraqi must produce some revenue from other sources. If it works, it will do so, as most governments do. But for a while, it may not.

There are blanks there that need to be filled: the pledging conference, other countries, other humanitarian resources, the United Nations. But at the end of the day, probably the United States will bear the bulk of the burden. What I am trying to draw in terms of public debate is the thought, first of all, of staying power, of the confidence you have suggested.

Second, I hope for a lack of surprises. Down the trail, when the enthusiasm that we now have for solving the problem lessens—and heaven only knows there may be other problems—I hope that we have at least some idea of what is likely to be required of the American taxpayer. Failure to achieve this is going to lead, I believe, to a lot of partisan haggling and bad surprises. Whoever is President will have to come up with supplementals to avoid running out of money unexpectedly. This was not unexpected. All of this is fully expected.

I appreciate the difficulty of predictions. Again and again, people say, well, this is unknowable. As Senator Biden said, of course it is. We do not know in our government precisely for the next 5 years what in the world we will spend and what kind of revenues will come in. We are surprised every day by changes of hundreds of billions of dollars of anticipations.

All I am saying is, with regard to Iraq, perhaps this is not quite such a volatile, dynamic situation. At least it offers for the fledgling Iraqi government a chance to amend the motion, to say that these are not the priorities that we see. And as a matter of fact, we think there are some revenues that can come from this and that.

I visited with Dr. Rice at the White House last week on this idea. I have mentioned it publicly several times. I am hopeful we can begin to fill in the blanks and take seriously this thought of a plan that we have some confidence in, and that the American people will understand down the trail what we are doing.

I will not burden you with asking for a further comment, because my time has expired. I want to pass that along to somebody else. I have just taken this 5 minutes to make the point. I visited a little bit with Mr. Bolten about this prior to the hearing. He knows the regard I have for him and the work at OMB. It is so critical that we work with you and the Pentagon and the State Department, and the NSC.

I thank you all for your testimony. And I turn now to my distinguished ranking member, Senator Biden.

Senator BIDEN. I want to try to ask a couple very specific questions, if you would help me by giving as quick an answer as you could.

Mr. Bolten, what are your working assumptions on the cost side for the rest of 2003 and for 2004 for Iraq?

Mr. BOLTEN. For the rest of 2003, Senator Biden, on the cost side are working assumptions are those that Ambassador Bremer has brought back to us. He is anticipating expenditures in the range for the total of 2003 of about $7.3 billion.

Senator BIDEN. How much will you be requesting for the remainder of the year, if any, from the U.S. Congress to fund that need?

Mr. BOLTEN. We do not anticipate requesting anything additional for the balance of this year.

Senator BIDEN. And what do you anticipate for 2004?

Mr. BOLTEN. I do not know the answer to that. Ambassador Bremer has laid out a reasonable specific budget for the balance of 2003. And I think he had an opportunity to discuss that with you. But even that was relatively crude because they are just getting a handle on so many of the variables that are in play right now.

Senator BIDEN. Do you anticipate we will be continuing to spend $4 billion a month for our troops in Iraq for 2004?

Mr. BOLTEN. That is roughly what we are spending now. Looking out over the immediate term, we do not have any reason to expect a dramatic change in that number. But I would not want to predict beyond the next couple of months, because the situation is so variable.

Senator BIDEN. Do you not have to? I mean, we are talking about the 2004 budget. We are going to be voting on that in the next couple of months. What the devil are you going to ask us for?

Mr. BOLTEN. Well, the—in the 2004 budget—and, Senator, as you know, we have been very explicit about it—we have not included the incremental costs of our fighting forces in Iraq nor the costs of reconstruction. So you——

Senator BIDEN. Why?

Mr. BOLTEN. Simply because we do not know what they will be.

Senator BIDEN. Oh, come on now. Does anybody here at the table think we are going to be down below 100,000 forces in the next calendar year? Raise your hand, any one of you. You know it is going to be more than that. So you know at least it is going to be $2.5 billion a month. Give me a break, will you? When are you guys going to start being honest with us? Come on. I mean, this is ridiculous. You are not even——

Mr. WOLFOWITZ. Senator, to suggest that this is an issue of honesty really is very, very——

Senator BIDEN. It is a suggestion of candor.

Mr. WOLFOWITZ[continuing]. Misleading.

Senator BIDEN. Of candor. Of candor. You know there is going to be at least 100,000 American forces there for the next calendar year.

Mr. WOLFOWITZ. Senator, I do not know——

Senator BIDEN. And you are not asking us for any money——

Mr. WOLFOWITZ. I do not know what we are going to have there.

Senator BIDEN. Let me finish, please. Let me finish.

Mr. WOLFOWITZ. OK.

Senator BIDEN. And you are not asking us for any money in next year's budget for those troops. Now what do you call that?

Mr. WOLFOWITZ. Senator, there will be a supplemental request. There is no question about that. And there will be a supplemental request when we think we can make a reasonably good estimate

of what will get us through the whole year, so that we do not have to keep coming up here with one supplemental request after another. So I do not sit here and say, well, maybe the number is going to be 100,000, and then it turns out it is 120,000. Then people accuse us of being misleading or dishonest.

Senator BIDEN. Oh, I think you are being——

Mr. WOLFOWITZ. We know what the number is now. We know what we are trying to do in terms of enlisting other countries. We do not know whether the Paks are going to come through with a division. We do not know whether the Turks are going to come through with division. We do not know how rapidly we are going to be able to train Iraqis to——

Senator BIDEN. Are you suggesting if, in fact, they come through with divisions, we are going to reduce American forces?

Mr. WOLFOWITZ. If they—I believe that that is exactly the purpose of getting foreign troops in. In fact, in southern Iraq today we are handing——

Senator BIDEN. Reduce American forces.

Mr. WOLFOWITZ [continuing]. We are handing responsibility for key provinces of Iraq over to the Poles and the Spaniards and the Italians. And we are taking marines out. We are not replacing them with Americans.

Senator BIDEN. So we are going to have a net reduction of American forces for the——

Mr. WOLFOWITZ. I am not predicting, Senator. I do not know. Until we get these Baathist criminals under control, we are going to put in whatever it takes to do the job. But we are trying to get other people to fill in for us. We are trying to get Iraqis to fill in for us. And I think by the end of the year, early next year, we will have a much better fix on what it takes to get through the year.

Senator BIDEN. Do you have any expectation that you are going to be able to stand up an Iraqi army of any consequence in the next 6 months?

Mr. WOLFOWITZ. They are two different things here. And thanks for giving me the chance to explain it. We are working on training an Iraqi army, which is a 2- to 3-year project, out to produce regular units, lots of training, lots of discipline. You do not need that kind of an army to guard fixed power lines. You do not need that kind of an army to take over for marines guarding hospitals. You do not need that kind of an army to guard banks.

Senator BIDEN. That is a civilian defense force you are talking about.

Mr. WOLFOWITZ. A civilian defense force.

Senator BIDEN. How long do you expect that to——

Mr. WOLFOWITZ. We believe we can have thousands of those people available within about 45 days. That is——

Senator BIDEN. Within 45 days. And how about the police?

Mr. WOLFOWITZ. The police we are standing up rapidly. And as you noted correctly, at the police academy, they are not all equally good. I visited a group down in Basr that still are struggling. But up north in Kirkuk, for example, the Iraqi police have taken over the whole function of——

Senator BIDEN. The Iraqi police have taken over—well, OK. I find this kind of incredible. The picture you painted is—are there

any substantive changes of consequence you are recommending to the President or is everything going along as planned? You have everything on course here, and everything is pretty well in hand? I mean, you told us about how the military says we are well ahead of where we were in Bosnia. Are you happy with where we are right now?

Mr. WOLFOWITZ. Senator, I am not happy with where we are right now. And if there is any way to accelerate anything, we are looking at it. We are looking at how to accelerate training Iraqis. I have talked about that at some length. We are looking at emergency ways of accelerating electric power production. Some of that is already under way. I believe the reason we are able to get the oil production up over a million barrels a day was because we brought in portable generators to provide electricity. That is the kind of thing——

Senator BIDEN. The report called for, what, 5,000 of those? Are they up—550 diesel-driven emergency generators to be installed, are they up and running?

Mr. WOLFOWITZ. I can check that for the record. I do not know the detail. But that is an example of where we are looking at acceleration. We are looking at acceleration in some non-military areas. For example, up north one of the big issues is so-called de-Arabization. A lot of Kurds and some Turks were moved out of their homes in a kind of slow motion ethnic cleansing. And Arabs were moved in. The Arabs would be happy to leave, but it is going to take some money and some legal efforts to do that. We would like to get that started more quickly than was originally planned.

[The following response was subsequently received.]

Numerous emergency generators were used to accelerate oil production in an effort to establish reliable power at pumping stations and refineries across Iraq. In early July oil production ranged between 680,000 gallons and 747,000 gallons per day. Our efforts to increase production were impeded by fluctuating power levels. To remedy this, the U.S. Army Corps of Engineers Task Force Restore Iraqi Oil ("TF RIO"), along with the Ministry of Oil and Power, worked together to provide and install two 12.5 MW generators at the Basrah plant. In addition, six 1 MW generators were placed at critical oil facilities by the Southern Oil Company, Kellogg, Brown & Root. These measures were necessary to provide primary power until the electrical grid was restored. The combined effect of these emergency generators provided reliable power to the critical oil production facilities and allowed oil production to surpass one million barrels per day.

Mr. WOLFOWITZ. Your point, Senator, which I agree with, is there is a window of opportunity here. I cannot measure how long it is. But I do believe that the sooner we move within that window, the better off we will be further out in the future, and that money invested now, even if it is not quite efficient, will save us a lot of money in the long run. And money invested on the civil side can help bring down that $4 billion a month that we are currently spending on our troops.

Senator BIDEN. My time is up. But I am confused. General Myers, the Chairman of the Joint Chiefs, said if we get these 30,000 additional foreign troops, that it will not be enough for us to reduce our military in Iraq for months, possibly years. And he said we need more than 30,000. I do not get you guys. I mean, Myers says that. You are telling me if we get these additional troops, we are going to draw down American troops.

General KEANE. Can I respond to that, Senator?

Senator BIDEN. Sure.

General KEANE. The two pacing items that involve U.S. troop commitment is, one, obviously the level of violence and the security situation that we are currently facing. We have to get that down.

And the second thing is the involvement of multinational forces and also the Iraqis themselves, the civil defense forces that the Deputy Secretary mentioned and also the Iraqi army and police forces.

Those are our pacing items. And General Abizaid, when he looks to the future, does not want to look beyond March. But even with looking toward March, what he sees is definitely two multinational divisions probably by the end of September and the possibility of a third that has not been committed yet. But the State Department and Defense Department is working with that.

If that does happen, that will reduce U.S. commitment by one division and also one brigade. And we are moving very quickly, obviously, to get the Iraqis to do more for themselves to help defend their own people. And that is in its embryonic stages.

As those two items, the level of violence, multinational division participation, and also the Iraqis themselves will see us reduce the U.S. troop commitment.

Senator BIDEN. These forces are nowhere. And I would be interested to see about your civilian force.

But at any rate, I thank you.

The CHAIRMAN. Thank you, Senator Biden.

Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you.

Gentlemen, thank you for coming before us today. We appreciate very much you taking the time. And also to your colleagues, general, to our men and women in uniform around the world, our thanks, our gratitude. We are very proud of what they have done and what they are doing. And please extend that to them. Thank you.

General KEANE. Thank you, Senator.

Senator HAGEL. I would like to stay on this issue of manpower force structure and read just a short paragraph from a July 16 news conference that General Abizaid gave. And he said in that news conference 13 days ago, speaking of troop rotation, much of what we are talking about here, in specific reference to the 3rd Infantry Division, when they may rotate out, he picks it up at this point, he said 13 days ago, "We will bring those troops home by September, certainly out of Iraq by September. And they will be moving toward home in September. And a lot of it, of course, will depend upon the rotational scheme that either the U.S. Army, U.S. Marine Corps, or allied coalition forces happen to submit to us in the next week. But we will know the specific answers to the questions in about a week."

Now that was 13 days ago. Do we know what the specific answers are?

General KEANE. Yes, sir. The army has put together a rotation plan and policy. It is 1 year in length, which means that the forces in being in Iraq will stay and do a 12-month tour. We have a history with this going back to World War II, where we stayed indefi-

nitely. Korea, it was 6 months and 12 months for combat forces and support forces. Vietnam, it was a 12-month individual assignment, if you recall.

And then since that time——

Senator HAGEL. Well, general, may I interrupt just a moment? I do not mean to be rude, because my time is short here. I understand that part of it. But what about numbers, relevant to what you have been hearing here? Are we any closer to understanding what is going to be required here in the way of American force structure?

General KEANE. Yes. Very specifically, we are essentially doing a one-for-one replacement of our forces. The 82nd Airborne Division and its headquarters and two brigades will be replacing the 3rd Infantry Division. There already is a brigade from the 82nd in the theater.

Senator HAGEL. But that is American for American.

General KEANE. That is correct.

Senator HAGEL. And so that would lead me to believe that we are going to keep those troops in there for a while, just as referenced Senator Biden's comments about General Myers's comments here recently, I believe July 24.

General KEANE. Yes. Well, to deal specifically with what you are talking about is there is a multinational division that is forming right now with a—Poland is going to be the head of that division. And that division, as it comes in place, will replace the Marine Expeditionary Force, which is there, which is essentially a division minus, and will take over their sector. And that is expected to take place in the September timeframe.

Senator HAGEL. But an American force structure is going to be required for some time to come.

General KEANE. Oh, absolutely. No question about it.

Senator HAGEL. And what I am trying to get at, like my colleagues have tried to focus on, do we have any idea of what that force structure is going to look like, understanding completely that these are dynamic issues, and they float and they move back and forth, and obviously depending on our international assistance?

General KEANE. We have——

Senator HAGEL. Can you help us here, general?

General KEANE. Sure. We have made a release that indicates which divisions are going to be replaced and what brigades will be replaced on a time schedule that takes us through the February/March timeframe, when all of the units that are currently in Iraq will be completing a 1-year assignment. And all those forces have been notified who they are.

Senator HAGEL. Would you say that American numbers, not specific units, but American numbers would remain about the same?

General KEANE. About the same. I mean, obviously——

Senator HAGEL. So we are talking 148,000 Americans.

General KEANE [continuing] We are going to have some slight reduction when we bring out the marines. That is about 9,000-plus. And if a third coalition division comes in place, which we are working on right now, that will also reduce American numbers.

But by and large, American numbers will remain the same with some slight reduction.

Senator HAGEL. Thank you. There is an interesting story in yesterday's Wall Street Journal, which I assume the three of you have seen, "New Allies Struggle to Fill Role." And it does not paint a particularly positive picture about the force structure coming from international support, because the focus of this story's headline, "Strains Country's Resources," just like our force structure, I suspect, is under some strain, when you look at 33 combat brigades, 24 of them overseas. And you know the numbers better than I do.

But the point of this story is for us to look at allies to come in here, and to some extent rescue our force structure, is probably not realistic. I do not have enough time to go over this. But if you have not seen this, general and Secretary Wolfowitz, you each might want to take a look at this, because it is not as positive as we have been led to believe by some of our people here in this government.

One last question to Director Bolten. Is it my understanding, Director Bolten, that you will not be coming up here with a line item for 2005 for the Iraqi account in the fiscal year 2005 budget? You will not be coming up with a specific request in that budget next year?

Mr. BOLTEN. Well, I cannot say what will be in the budget next year. But Secretary Wolfowitz is right. We will be coming with a supplemental for 2004.

Senator HAGEL. But not in the—what you intend to do right now, not in a fiscal year 2005 budget request that you always come up to the Hill early in the year with. You do not intend to have that line item in there.

Mr. BOLTEN. I do not anticipate that, because I think it would be, as it has in the past, be needs above and beyond our normal needs for the military, more likely to be handled in a supplemental, as we are handling them now.

Senator HAGEL. My time is up. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hagel.

Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman. And let me begin by thanking you, Mr. Chairman, once again for the series of these hearings. They have been tremendously helpful and worthwhile. And I want to underscore the comments of Senator Hagel, as well, general. We have deep appreciation here for the tremendous job the U.S. military has done and have great appreciation for the tremendous stress that they are facing today with the reports almost on a daily basis of some 49, I guess, now is the number that have been killed since May 1. And we want you to convey to all of your personnel our deep sense of gratitude for the tremendous job they have done here.

General KEANE. Thank you, Senator.

Senator DODD. Let me, if I can in the time that we have available to us, I am interested, Secretary Wolfowitz, about what our intentions are regarding a U.N. resolution and additional cooperation. I looked at the numbers here of the June 28 report of the humanitarian assistance we have received from other nations. There are some 29 nations that have pledged about a little over $1 billion. About half of that has come from the United States, $560 million.

Looking at the Hamre report, which says, and I agree with it, that the next 12 months, in fact the next 3 months, may be abso-

lutely crucial, both in terms of the Iraqi population beginning to see that we can get a handle on all of this. And I think that probably extends to other nations around the globe in terms of their willingness to step up and be cooperative and be helpful, putting aside the question of whether or not we should have sought more cooperation for the coalition before going into Iraq initially.

I wonder if you might respond very specifically to whether or not we are going to seek a U.N. resolution for humanitarian cooperation. And if so, when will we do that? What is the nature of that resolution, if we are going to seek it?

Mr. WOLFOWITZ. Senator Dodd, that is something that Secretary Powell is exploring right now. And I should not comment on—in fact, I do not know exactly the status of all of his discussions. We would certainly welcome any resolution that would make it easier for countries to contribute peacekeeping troops. Some had said that it would make it easier for them.

I have to note that that is not necessarily the real reason. I think it is important to recognize that, again, there is a connection between security and peacekeeping. It is much easier to bring in a foreign unit in an area that is already stable. And as we improve our ability to stabilize the country, I think we will get more contributors. The U.N. resolution would help.

Senator DODD. But is that not the chicken and egg, though? Is that not a bit of chicken and egg? Certainly security is critically important, but to get security, the notion somehow that there is going to be more international cooperation, others coming in, other than just taking on this role almost exclusively with the obvious exception of the British, does that not in effect contribute to more stabilization and security, if there are more people involved in helping us——

Mr. WOLFOWITZ. Not necessarily.

Senator DODD [continuing]. Bring about the kind of suggestions that Secretary——

Mr. WOLFOWITZ. For the security problem you have to have troops that are willing to take real risks and to fight. Our troops are. Some of our allies, as the British certainly are. And I believe Iraqis would. But if you have troops that really think of themselves there as peacekeepers, then you can only put them in areas where there is peace.

The other thing that is really important here——

Senator DODD. Well, let me——

Mr. WOLFOWITZ [continuing]. We welcome the U.N. role. The U.N. has been positive. For example, Sergio de Millo, the Secretary General's Special Representative, has played an important role. But as Senator Biden said, speed is of the essence here. And the U.N. is not always speedy. That is why Ambassador Bremer is very anxious to make sure that he preserves his authorities to move the process forward as rapidly as possible, so that we can transfer authority, not to some other international agency, but to the Iraqi people themselves.

Senator DODD. Right. So my sense, if I had to be sitting here and trying to glean from your statements here, you are not overly enthusiastic about a U.N. resolution, at least a U.S.-authored one.

Mr. WOLFOWITZ. No. Wrong. I would be very enthusiastic about the right kind of resolution and very concerned about the wrong kind. And that is why Secretary Powell is engaged in what is a difficult discussion.

Senator DODD. Well, let me ask you here. As I look through the Hamre report, and he starts talking about what needs to be done over the next 12 months, the next 3 months, and he talks about obviously security is mentioned as No. 1, but he quickly moves to Iraqi ownership, a rebuilding process in the country, get people back to work as quickly as possible. I listened to some reports about what we are doing in terms of private enterprise in the region, in the country, the decentralization, intense and effective communications.

You go on down a lot of these functions here, he says they are absolutely critical to get moving on immediately. And I just question you whether or not, in fact, our emphasis here on the security side of this, and not simultaneously moving to build the kind of cooperation necessary to bring around the political stability, is wise.

Mr. WOLFOWITZ. I think you either misunderstood me or certainly—let me just say I think Director Bolten stated it very clearly. We have a four-part strategy. I think Ambassador Bremer briefed it to the full Senate in closed session, of which security is just one piece. It is security. It is restoring basic services. It is getting the economy going. And it is moving forward on governance.

And what I tried to say by saying you cannot separate security from rehabilitation or reconstruction, and you cannot separate reconstruction/rehabilitation from security, you have to have a strategy that tries to move forward on all those fronts at the same time. If you try to just move one of those pieces, it is not going to go very far, because the other ones are going to hold you back.

Senator DODD. I do not disagree with that conclusion. But, I mean, look at the Coalition Provisional Authority organization and the Coalition Provisional Authority, the charts here.[2] As you are looking down the number of people involved, first of all, on the Coalition Provisional Authority chart, which was handed out, there are some—the total CPA numbers of a little in excess of 1,000, 1,147. There is Department of Defense, 332 people who work with that authority. The military, 268. Contractors, 300. Other USG personnel—Department of State is 34 people out of the 1,147 people.

And then I look at the Coalition Provisional Authority organization that runs from the President to the Secretary of Defense to Ambassador Bremer and then other subsequent charts which talk about this structure over here, nowhere do I see the Secretary of State even mentioned here at all. I understand simultaneity, that you have to work both, you cannot just have security. But you start talking about, though, the organizational charts, and the number of personnel involved in dealing with what we talk about is absolutely critical functions of this country, if you are going to establish the kind of stability along with security that you need to have, I do not see that reflected at all in the number of personnel involved in the coalition or even the presence of the Secretary of State in

[2] The charts referred to can be found beginning on page 85.

the organizational chart, a flowchart, of where authority flows from the President on down.

Where is he in all of this? How do you do these things? You cannot ask the military to do all of this.

Mr. WOLFOWITZ. Senator Dodd, the CPA staff is a very interagency staff. In fact, many of Ambassador Bremer's key people, including his deputy for the whole political governance operation, is a senior State Department Ambassador, Ryan Crocker.

There are a large number of USAID people in those numbers. I do not know under which category they come. I am a little puzzled. I think they must come under contractors. I think USAID is the largest single component in the CPA.

But let me make another point, too. We are not going to run Iraq with 1,147 CPA people. The whole goal is to get Iraqis running Iraq. And we have been quite successful in a number of places. The foreign ministry is a dramatic example where I believe two State Department advisors, I think, maybe only one, a Rumanian ambassador, and a lot of Iraqis have basically cleansed that ministry of some 200 Iraqi intelligence officers, because the Foreign Ministry was a hotbed of the Iraqi intelligence. They are proudly up and working. It is just—the spirit is inspiring. That is how we get it going, is with Iraqis.

So there are—I believe I met more State Department people on my visit at CPA than I met people that I recognized from the Pentagon. So I——

Senator DODD. You understand my concern.

Mr. WOLFOWITZ. Ambassador Bremer is getting the people he needs.

Senator DODD. Well, look at the flowchart for a second here. Where is, in all of this, the Coalition Provisional Authority organization? President, Secretary of Defense, CPA administrator. Where is—is there any role here for the State Department. So much of what is talked about here requires political structure and organization, understanding language, culture, customs. It is unfair, in my view, and wrong to ask the military to take on that kind of responsibility. That is one of the major concerns here. Where is he in this?

Mr. WOLFOWITZ. Let me emphasize there are a great number of State Department people in the CPA, including Ryan Crocker and other people who are Arabic speakers. And when it comes to coordinating the police guidance, it comes from the President, who is advised by the National Security Council on which the Secretary of State sits.

But what we have tried to have here is a relatively clean line of organization that would allow us to get things done efficiently and would allow us to do the crucial job of coordinating between the military security tasks, which report through General Abizaid to Secretary Rumsfeld, with the civilian governance and rehabilitation tasks, which report through Ambassador Bremer.

Both of them go ultimately to the President, who pays close attention to these issues. And the Secretary of State has a great deal of input, both at the NSC level and at working levels. This is a real interagency effort. And the spirit in Baghdad is an interagency spirit.

Senator DODD. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Dodd.

Senator Chafee.

Senator CHAFEE. Thank you, Mr. Chairman. Welcome, gentleman.

As you can see, a lot of the questions here relate to the high cost of the war, not only in resources, but in human lives, of course. And I would like to get at the key question of what we are really doing there. And, of course, in the months leading up to the war, it was a steady drumbeat of weapons of mass destruction, weapons of mass destruction, weapons of mass destruction.

And Secretary Wolfowitz, in your almost hour-long testimony here this morning, once, only once, did you mention weapons of mass destruction. And that was an ad lib. I do not think it is in any of your written testimony.

And so we are shifting justifications, I think, for what we are doing there. At a hearing in May, I asked Secretary Wolfowitz the question. A lot of your answer dealt with that it will help with the peace between the Israelis and the Palestinians. And now there has been allegations that this will help with our war on terrorism. But we just have not seen the proof of any linkage between Saddam Hussein and al-Qaeda.

And now, today, it is the testimony over and over again about what a despicable tyrant Saddam Hussein is, who brutalized his people. But at the same time, in Liberia, Charles Taylor has been indicted. And according to the prosecutor, he is responsible for the killing, raping, and maiming of 500,000 people. And the arrest warrant issued by the U.N.-backed court in Sierra Leone charged Taylor with unlawful killing, sexual and physical violence, use of child labor and child soldiers, looting, burning, and the murder of U.N. peacekeepers.

And it also alleges that Taylor had a close alliance with the notorious murderous Revolutionary United Front in Sierra Leone. The RUF was infamous for dismembering its victims, having a cut hand unit to chop off limbs, and a burn house unit to torch houses of suspected opponents. And Taylor once had his 13-year-old daughter publicly flogged for misbehaving in school.

At the same time, human rights watch is saying that Charles Taylor is one of the single greatest causes of spreading wars in West Africa. And so all the testimony this morning, and indeed the submission of the op eds, is about what a tyrant Saddam Hussein is, who brutalizes his people. But we are doing nothing in Liberia.

So it comes back to the questions of the unified message coming from the administration as to what we are doing there and why we did not wait for the United Nations Security Council to do their inspections. Now we are in this endeavor, huge costs, not only in resources, but in lives. So I will ask the question, Secretary Wolfowitz, give you a chance: What are we doing there?

Mr. WOLFOWITZ. Senator Chafee, what we have done there is to remove a regime that was a threat to the United States. We have said all along, if you go back to Secretary Powell's presentation at the United Nations, all three of those concerns were stated very clearly. The concern about weapons of mass destruction, the con-

cern about Saddam's links to terrorism, which are there, not as clear as the case on weapons of mass destruction——

Senator CHAFEE. Mr. Secretary, can I just interrupt? I am a cynic. So when you make these assertions, give some proof. A threat to the United States? How?

Mr. WOLFOWITZ. I would suggest go back and read—if you want to give me an hour, we can have a different kind of hearing. But if you go back and read Secretary Powell's testimony, it is very clear. And it is the concern that the combination of weapons of mass destruction and terrorists poses a kind of threat which maybe 10 years ago we thought we could live with. And I would have said 10 years ago my whole view about Iraq would have been very different. Ten years ago, I would have said Iraq, as terrible as it is, is a problem for the Iraqi people.

I said all along I believed we should have given those people more help in getting rid of that tyrant. But September 11 put it in a different light. And taking on that tyrant forcefully meant in fact, if anything, that we had to take that threat more seriously.

So all three of those concerns are stated in Secretary Powell's testimony. I talked about——

Senator CHAFEE. Can I interrupt one more time?

Mr. WOLFOWITZ [continuing]. The mistreatment of the people—could I——-

Senator CHAFEE. Let me interrupt, because my time is limited, unfortunately. You just said that this 10 years ago you would not have agreed to a regime change. However in 1998, you, as a member of the New American Century, sent a letter to President Clinton——

Mr. WOLFOWITZ. Senator, I said something different. I said ten——

Senator CHAFEE. Now wait a second. You were saying that we are seeing it in the light of September 11. That is just not true. You have been advocating for regime change all through the late nineties. And in this letter, the——

Mr. WOLFOWITZ. Can I explain? There is a very clear difference——

Senator CHAFEE [continuing]. Strategy should aim, above all—this is 1998. "That strategy should aim, above all, at the removal of Saddam Hussein's regime from power." You signed that letter.

Mr. WOLFOWITZ. Senator, there is a very big difference. I was very clear. I do not know if it is in that letter, but elsewhere, I never thought before September 11 that we should use tens of thousands of American troops to do the job for the Iraqis. I never thought we should go to Baghdad, even at the end of the gulf war, when I thought we should have done some other things we did not do.

I thought up until September 11 that our job was to help the Iraqi people. I think the mistake we made in 1991 was they rose up against Saddam, and they got no help from us. September 11 changed the stakes, in my view, for the United States and made it a different matter in terms of using American troops.

The end is the same. But you are not distinguishing the means. And the means are absolutely crucial. Putting American troops, lives, at stake is something that we do when our security is threat-

ened. Our security was threatened. The troops out there, I think, understand that it is threatened. I think they understand that they are part of fighting the war on terrorism as we go on today. And that is important.

And by the way, I agree with you. Charles Taylor is a monster. And we are trying with the United Nations and with West African states to get a plan together that will get him out of Liberia. We also need to do it in a way that does not bring on yet another kind of slaughter. Because the people going after Charles Taylor may not be an awful lot better than he is. And that is part of our problem there.

Senator CHAFEE. Well, I will just finish up by saying I really resent when witnesses talk that this is in the light of September 11 when the evidence is to the contrary. The steady——

Mr. WOLFOWITZ. Senator, you are misrepresenting what I said in that letter.

Senator CHAFEE. Yes. You have over and over again, through the late nineties, urged regime change in Iraq.

Mr. WOLFOWITZ. Can I try again, then, since I believe you are not representing my views properly? It is true I thought from the end of the gulf war up until September 11, 2001 that it was important for the United States to help Iraqis get rid of that regime. And that is a policy of regime change.

But I did not believe that it was either necessary or justified to use large-scale American military forces to do that job. At the end of the gulf war, all it would have taken was a minimum application of U.S. air power and some of the artillery that was sitting on the south bank of the Euphrates River.

September 11 changed the stakes for us, in my view, dramatically. And it changed the whole way of looking at an uncertain, but still disturbing, threat of the combination of weapons of mass destruction and terrorism.

Senator CHAFEE. Well, I wish we had more time.

[The letter Senator Chafee referenced follows:]

THE PROJECT FOR NEW AMERICAN CENTURY,
Washington, DC, January 26, 1998.

The Honorable WILLIAM J. CLINTON
President of the United States
Washington, DC

DEAR MR. PRESIDENT:

We are writing you because we are convinced that current American policy toward Iraq is not succeeding, and that we may soon face a threat in the Middle East more serious than any we have known since the end of the Cold War. In your upcoming State of the Union Address, you have an opportunity to chart a clear and determined course for meeting this threat. We urge you to seize that opportunity, and to enunciate a new strategy that would secure the interests of the U.S. and our friends and allies around the world. That strategy should aim, above all, at the removal of Saddam Hussein's regime from power. We stand ready to offer our full support in this difficult but necessary endeavor.

The policy of "containment" of Saddam Hussein has been steadily eroding over the past several months. As recent events have demonstrated, we can no longer depend on our partners in the Gulf War coalition to continue to uphold the sanctions or to punish Saddam when he blocks or evades UN inspections. Our ability to ensure that Saddam Hussein is not producing weapons of mass destruction, therefore, has substantially diminished. Even if full inspections were eventually to resume, which now seems highly unlikely, experience has shown that it is difficult if not impossible to monitor Iraq's chemical and biological weapons production. The lengthy period dur-

ing which the inspectors will have been unable to enter many Iraqi facilities has made it even less likely that they will be able to uncover all of Saddam's secrets. As a result, in the not-too-distant future we will be unable to determine with any reasonable level of confidence whether Iraq does or does not possess such weapons.

Such uncertainty will, by itself, have a seriously destabilizing effect on the entire Middle East. It hardly needs to be added that if Saddam does acquire the capability to deliver weapons of mass destruction, as he is almost certain to do if we continue along the present course, the safety of American troops in the region, of our friends and allies like Israel and the moderate Arab states, and a significant portion of the world's supply of oil will all be put at hazard. As you have rightly declared, Mr. President, the security of the world in the first part of the 21st century will be determined largely by how we handle this threat.

Given the magnitude of the threat, the current policy, which depends for its success upon the steadfastness of our coalition partners and upon the cooperation of Saddam Hussein, is dangerously inadequate. The only acceptable strategy is one that eliminates the possibility that Iraq will be able to use or threaten to use weapons of mass destruction. In the near term, this means a willingness to undertake military action as diplomacy is clearly failing. In the long term, it means removing Saddam Hussein and his regime from power. That now needs to become the aim of American foreign policy.

We urge you to articulate this aim, and to turn your Administration's attention to implementing a strategy for removing Saddam's regime from power. This will require a full complement of diplomatic, political and military efforts. Although we are fully aware of the dangers and difficulties in implementing this policy, we believe the dangers of failing to do so are far greater. We believe the U.S. has the authority under existing UN resolutions to take the necessary steps, including military steps, to protect our vital interests in the Gulf. In any case, American policy cannot continue to be crippled by a misguided insistence on unanimity in the UN Security Council.

We urge you to act decisively. If you act now to end the threat of weapons of mass destruction against the U.S. or its allies, you will be acting in the most fundamental national security interests of the country. If we accept a course of weakness and drift, we put our interests and our future at risk.

Sincerely,

Elliott Abrams	Richard L. Armitage
William J. Bennett	Jeffrey Bergner
John Bolton	Paula Dobriansky
Francis Fukuyama	Robert Kagan
Zalmay Khalilzad	William Kristol
Richard Perle	Peter W. Rodman
Donald Rumsfeld	William Schneider, Jr.
Vin Weber	Paul Wolfowitz
R. James Woolsey	Robert B. Zoellick

The CHAIRMAN. Thank you very much, Senator Chafee.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

The hearing has focused on the question of resources. And that is very important. Because the American people are being asked to shoulder a tremendous burden in Iraq. And I do think we need more clarity on costs. And we need to be responsible about making this a part of the regular budget, not keeping it off the books as if it were some kind of surprise. In fact, that was my central emphasis on the budget committee and in the budget resolution, trying to kick the ball for the first time and say, could we at least be honest with the American people, that this is going to cost something? And I think that is terribly important and the purpose for the hearing.

But, Mr. Chairman, as I listen to Senator Chafee, I am just astonished at our agreement. I started using this phrase shifting justifications a year ago, in response to my inability to see what was the real purpose of the invasion of Iraq. Senator Chafee is right,

what he said about Liberia. And there is even more to it. There is a heck of a lot of better evidence of possible al-Qaeda connections with regard to their financing of their operations in Liberia than there ever has been with regard to Iraq.

And I cannot vouch for the absolute validity of that. But if you are focused on the war against terrorism, you would certainly be focused on Liberia at least as much as Iraq.

And so I want to be sure that I understand your assertions here today. You said in your statement, "In fact, the battle to secure the peace in Iraq is now the central battle in the global war on terror." Not stabilizing Afghanistan, where we know that al-Qaeda still operates.

Am I to understand that the way to defeat global terrorists who use international networks is to have the United States' administration act on what you have described in your own words, Secretary Wolfowitz, as "murky intelligence, when this action alienates important allies in fighting terror, in places that do not appear to have meaningful links to al-Qaeda? That seems to be what you are saying.

I mean, it sounds as if we basically walked through the looking glass here. While our brave troops were marching into Baghdad, on that very day, some of those responsible for the attack on the USS *Cole,* which you cited as a cost of our Iraq policy, were escaping from a prison in Yemen. People with known al-Qaeda connections, people who have been subsequently, after the escape, indicted. I would ask you, Secretary Wolfowitz, are you sure we have our eye on the ball?

Mr. WOLFOWITZ. I am absolutely sure we have our eye on the ball. And the ball is a global one. As I said in quoting General Abizaid at some length, you cannot view this through a soda straw. You cannot focus exclusively on Iraq. You cannot focus exclusively on Afghanistan. And you cannot focus exclusively on those two things.

Although from a military point of view, those are our two principal tasks. As the President has said over and over again, fighting this war is going to require all the instruments of national power. We are applying them across the board. We have made some very big gains in the war on terrorism globally over the last few months, including rounding up some of the most serious terrorists, one of whom was the mastermind of September 11, Khalee Sheik Mohammed.

Does it mean it is a uniform gain? No. You are right that a couple people got away in that prison escape in Yemen. We are trying to find out why. General Abizaid has just been in the Horn of Africa, where we are looking very closely at what is going on there and what can be done to stop it. And it is not just a military effort.

But also, let us be clear, it is going to be a long struggle. We have made gains, but we are still vulnerable. We are vulnerable as a county to some very severe attacks. But there is no question in my mind that we will be much more secure when we win this battle in Iraq. And we will win it. And then we will have a valuable ally in the Arab world instead of a country that is a source of instability and sanctuary and resources and other things for terrorists.

And I think the terrorists understand that that is why so many of them have come to Iraq to fight. It is interesting, when we met with marines who had that eastern flank advance up to Baghdad. I asked General Mattis what the opposition was like. He said the main people who fought us were the Fedayeen Saddam and the foreign terrorists. And I said, "How do you know they were foreigners?" He said, "Well, we found a lot of passports on the corpses that were from foreign countries. And some of them even said in the entry permit the purpose of their visit to Iraq was to perform jihad and to kill Americans."

It is much better, as General Abizaid has said, to be killing those people in Iraq than to have them come here and kill Americans.

Senator FEINGOLD. Well, Mr. Chairman, I would certainly suggest, and in fact I think your comments, Mr. Secretary, suggest that these people came to Iraq in large because of our actions, vis-à-vis Iraq. And at the same time, we are not doing so well, in my view, with regard to the war against terrorism in places such as East Africa and Afghanistan and even in situations such as West Africa. We can only do so much.

I mean, this hearing is about resources, financial resources and others. We also can only accomplish a few things well at one time. And in my view, the over emphasis on Iraq has caused a serious erosion in our ability to go after the actual operatives who are trying to kill us and our children.

Mr. WOLFOWITZ. I think that is simply wrong, Senator.

Senator FEINGOLD. Mr. Bolten, do you—did you want to respond to that?

Mr. WOLFOWITZ. Well, I disagree with that strongly. I think we have maintained pressure across the board, and not just military pressure, pressure through the intelligence agencies, pressure through law enforcement agencies. And I would also emphasize, as I think I said to the chairman, the war on terrorism is a two-front war. One front is killing and capturing terrorists. The other front requires something more positive, something that builds hope in the Muslim world, and especially in the Arab world, that can be a counter to the evil appeal that bin Laden and his followers hold out.

And success in Iraq is going to be important in that respect. And that is why the terrorists, along with the Baathists are targeting our success. They want to bring back a terrible regime. And if I spend a lot of time talking about how terrible that regime was, it is because I did not come here, Senator, to talk about the justifications of the war. I came up here to talk about what is needed for reconstruction and rehabilitation.

Frankly, Iraqis do not care——

Senator FEINGOLD. I am going to interrupt you, Mr. Secretary, and say I did not come here planning to discuss this whatsoever. This was a hearing about resources. It was only when your testimony at length stated that Iraq is the central location on the war against terror, it became impossible for me to ignore such an extreme interpretation of what is happening in the world.

I think the American people are on to this idea and are aware that this administration has grossly exaggerated the connection between the war on terrorism and the Iraq situation. And I would

strongly suggest we focus on the merits of trying to deal with the Iraq situation that we have at hand instead of constantly trying to pretend that September 11 and Iraq are the same issue.

Thank you, Mr. Chairman.

[The prepared statement of Senator Feingold follows:]

PREPARED STATEMENT OF SENATOR RUSSELL D. FEINGOLD

I thank Chairman Lugar and Senator Biden for holding this important hearing, and for all of their work over the past year on structuring a series of hearings relating to U.S. policy in Iraq. These hearings have proven to be invaluable tools, if not always for getting concrete answers, at least for clarifying important questions.

Today's hearing focuses on the tremendous resource demands that confront us as we survey the situation in Iraq, where insecurity continues to plague both American troops and Iraqi civilians, where the national economy remains largely an abstract concept rather than a concrete reality, and where mammoth reconstruction needs stand in the way of lasting stability and development. I am glad that we are taking a hard look at these issues, because right now they represent an immense burden that weighs on the American people. We cannot afford to sweep these costs under the rug, or to conjure up rosy but unrealistic scenarios to calm the anxiety many feel when they look at the real commitment of troops and dollars that the U.S. has made to Iraq.

In my view it is a bit late to be getting honest information about these costs now. I wish that the administration had been more forthcoming about these issues before, rather than after, deciding to go to war without broad international support. But today, we must deal with the facts on the ground.

I did not think that the go-it-alone mentality served this country well in the lead-up to conflict in Iraq, and I do not think that it serves us well now as we confront these enormous costs. The rest of the world has an interest in Iraq's stability. But they will not come forward without some sense that they are participating in an effort that is multilateral in its decision-making, not just its billing practices. I hope that today we will explore how the administration might take some steps that will increase the comfort level of other donors and shift some of this burden off of American shoulders.

The CHAIRMAN. Thank you, Senator Feingold.

Senator Allen.

Senator ALLEN. Thank you, Mr. Chairman. Thank you, gentlemen. And thank you to all the troops and others in the Department of Defense who are working to protect our country.

From my perspective, these are historic and transformational times. The implications are as profound as some of the decisions that were being made insofar as the cold war is concerned.

History in Iraq, history in the Middle East, United States history, all are being written with the decisions that are being made right now and in the next few weeks, months, and years. The future of Iraq is being determined step by step by every single decision. The larger implications for the Middle East are at stake here with the opportunities there may be in Iraq.

But most importantly, I think the future of the United States is at stake. No. 1, financially and budgetarially. Second, our security. Our success here will have an impact on our security. And third, in the larger sense, the reputation and the credibility of the United States in the ongoing war on terrorism is at stake here. It is the credibility and reputation with our friends, as well as our credibility and reputation with our foes or potential foes.

I think we need to persevere. We can carry on endlessly about one aspect of minutiae versus the other. But here we are in this situation. And I think we need to stick to Ambassador Bremer's strategic plan, or our strategic plan, on the economic and the polit-

ical aspects of the reconstruction of Iraq. I think it is a good, logical strategic plan on principles, as well as the practicalities of it.

We will have to call audibles. You cannot always determine, as Ambassador Bremer said, what is going to arise. But you have to be ready to adapt and react to those situations and stick to your principles. I believe that we do need to win this peace, and we have to do it honorably.

Secretary Wolfowitz, you talked about how central Iraq was in the war on terrorism. I think we will all grant that Afghanistan is central. It is not a one-front war. One thing that we hear reports on from time to time, and it seems to be in the media, is that there are foreign terrorists coming into Iraq. And I would hope that you or maybe the general could share with this committee information about these reports of foreign terrorists coming in to Iraq.

There is an assertion that the presence of United States troops in Iraq act as a magnet for anti-American terrorists from throughout the region and throughout the world. In other words, they would love to be able to hit us here, but they cannot get here as well as they can get to Baghdad or outside of Baghdad.

So could you share with us, Mr. Secretary or general, your information and intelligence insofar as are there terrorists coming into Iraq as part of these, say, mercenaries or other snipers to hit U.S. troops?

Mr. WOLFOWITZ. Yes. And if I could take a minute of your time to go back to the earlier exchange and emphasize what I said, the battle to secure the peace in Iraq is now the central battle. We have to approach a long struggle like the war on terrorism with some strategic sense. A year ago or 18 months ago, I would have said the central battle, at least as far as the Defense Department is concerned, is Afghanistan. And I do not mean that Afghanistan has gone away. And I do not mean that Iraq is the central battle in the whole war. But right now it is where it is being fought. And that is why these terrorists are coming in there.

It is true it is an opportunity to kill Americans, but they can kill Americans in a lot of other places. They understand that killing Americans, if it leads to our defeat and the restoration of that evil regime, is a huge victory for them. It is not as—that is why for them it is so central.

We took out a camp in—in western Iraq a few weeks ago. I do not think we got anyone that was still alive, but much evidence, including passports, that these people were from outside, I think, from Syria, Sudan, Egypt.

At dinner in Baghdad, I was sitting next to an Iraqi woman in her early thirties, a doctor. She said she had been moved out of her house before the war to make way for Sudanese, Egyptians, and Moroccans, who she concluded must have been shooting at Americans, because by the time she got back to her house, there had been an American tank shell that took it down.

I mentioned General Mattis saying that many of the corpses they found had this kind of evidence of foreign participation. And one of the things that is most disturbing——

Senator ALLEN. Well, presently, do you see them coming in?

Mr. WOLFOWITZ. It is not easy to get in. We are trying to shut down the borders. One group, though, that is particularly dan-

gerous is this group called Unsar al Islam, which is connected to that gentleman, Zurkowi, who was in Baghdad, whom Secretary Powell spoke about in his Security Council presentation. And these folks seem to be shifting between Iran and Iraq. We do not think they are officially supported by the Iranians, but they sometimes go across the border. And then they come back in. And these folks are particularly deadly.

I do not know, General Keane, if you want to add to that. But the——

General KEANE. The three threats that we are really facing certainly deals, one, with the former regime loyalists. And you know they are the Baathists, the Fedayeens, the Iraqi Intelligence Service, the Special Security Organization, and also the Special Republican Guard. They make up the vast majority of the threat, although I cannot tell you equivocally what those numbers are. They were 100,000-plus, you know, before the war started. And they are considerably less in terms of what we are dealing with.

We are also dealing with foreign terrorists, as the Deputy Secretary mentioned. We do not know what those numbers are, but we have evidence that they are there. And they come from a plethora of countries, from Syria, from Saudi Arabia, from Egypt, from Sudan, et cetera.

And the other threat that we are facing is the Unsar al Islam, as well. And we did take out a terrorist training camp in western Iraq a few weeks, where we killed 75 of them. And they fought us tenaciously right down to the last man. And they were, for the most part, all foreign terrorists.

So we know they are there, but we do not know the numbers that they are there in, Senator.

Senator ALLEN. Thank you, gentleman.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Allen.

Senator Boxer.

Senator BOXER. Thank you, Mr. Chairman.

I want to pick up just briefly on what Senator Chafee and Senator Feingold were getting at on this war on terrorism and your comment that, as I quote you in your speech, "The central battle on terrorism is happening in Iraq."

I want to put into the record, Mr. Chairman, a page from this document put out by the Bush administration, "The Network of Terrorism." It was put out a month after 9/11. And it has in the mid-part a page that says, "Countries Where al Qaeda Have Operated." Iraq is not listed. This is after 9/11. I want to put that in the record.

The CHAIRMAN. It will be placed in the record.

[The information referred to follows:]

Countries Where al Qaeda Has Operated

Albania	Iran	Saudi Arabia
Algeria	Ireland	Somalia
Afghanistan	Italy	South Africa
Azerbaijan	Jordan	Sudan
Australia	Kenya	Switzerland
Austria	Kosovo	Tajikistan
Bahrain	Lebanon	Tanzania
Bangladesh	Libya	Tunisia
Belgium	Malaysia	Turkey
Bosnia	Mauritania	Uganda
Egypt	Netherlands	United Arab Emirates
Eritrea	Pakistan	United Kingdom
France	Philippines	United States
Germany	Qatar	Uzbekistan
India	Russia	Yemen

Senator BOXER. I would like to talk about your testimony. And then I have a question on another matter. You said very eloquently that there is a desperate need in Iraq to get the economy going, a desperate need for jobs, and basic services, such as electricity. Let me assure you that those items are on the priority list in my home state. Jobs, getting the economy moving, and yes, affordable electricity after what the robber barons did to us.

So I want to tell you that when my people hear what we are spending in Iraq right now, $45 billion a year, they are starting to ask me questions. And I cannot tell them what the outlook is, because you will not tell us. And not only will you not tell us that today, sir, you did not tell anybody before this war started, Mr.

Wolfowitz. And I ask to put in the record your exchanges with Chairman Spratt, when you testified on the House side, on February 27 and your dancing around that issue in a way that was extraordinary. I do not have time to read it back to you. I would like to put that in the record.

The CHAIRMAN. It will be placed in the record.

[The House testimony of Deputy Secretary Wolfowitz follows:]

FEBRUARY 27 HEARING BEFORE THE HOUSE BUDGET COMMITTEE

SPRATT. Mr. Secretary, yesterday The Washington Post said, "Administration officials said the Pentagon's estimate of $60 billion to $95 billion for a war and its immediate aftermath was certain to be eclipsed when the long-term costs of occupation, reconstruction, foreign aid and humanitarian relief were figured in.

"'President Bush was briefed on the war cost Tuesday, and is scheduled to receive detailed budget scenarios in the next week or two,' officials said."

Is that an accurate account?

WOLFOWITZ. It may be an accurate account of what some anonymous administration official said, but I don't he knows what——

SPRATT. Well, that was my next question. Are we looking at the——

WOLFOWITZ. I don't think he knows what he's talking—he or she knows what they're talking about. I mean, I think the idea that it's going to be eclipsed by these monstrous future costs ignores the nature of the country we're dealing with.

It's got already, I believe, on the order of $15 billion to $20 billion a year in oil exports, which can finally—might finally be turned to a good use instead of building Saddam's palaces.

It has one of the most valuable undeveloped sources of natural resources in the world. And let me emphasize, if we liberate Iraq those resources will belong to the Iraqi people, that they will be able to develop them and borrow against them.

It is a country that has somewhere between, I believe, over $10 billion—let me not put a number on it—in an escrow account run by the United Nations. It's a country that has $10 billion to $20 billion in frozen assets from the Gulf War, and I don't know how many billions that are closeted away by Saddam and his henchmen.

But there's a lot of money there, and to assume that we're going to pay for it is just wrong.

SPRATT. The $60 billion to $90 billion cost estimate is consistent with what staff on this committee have developed in the past year. It's just a bit above what the Congressional Budget Office projected would be the cost of such a war based on the costs in 1990.

Is it in your ball park also?

WOLFOWITZ. Congressman Spratt, I would go back to what I said at greater length in my opening statement. The ball park is so wide that it's almost any number you want to pick out of the air.

It depends on the assumptions, it depends on how long the war lasts, it depends on whether weapons of mass destruction are used, it depends very importantly on whether the Iraqi army turns on Saddam Hussein—which I think is a distinct possibility—or whether some important pieces of it decide to fight. It is so dependent on assumptions that picking a number or even a range of numbers is precarious.

Furthermore, in answer to Congressman Gutknecht's question, before the Gulf War in 1991 we had the whole world asking us to do the job of liberating Kuwait. Because the political situation at the time was such, my office initially proposed, "Let's get some help from our allies." We organized what became known as Operation Tin Cup.

We got, as I remember, $12 billion from the Japanese, a comparable number from the Germans, huge amounts from the Saudis, from the Kuwaitis, from the United Arab Emirates.

You know the Germans would be difficult people to approach today, but, frankly, in the context of the reconstruction of one of the most important countries of the Arab world I think we will approach the Germans and many other countries.

SPRATT. Well, what happened to the Germans before was they got caught in a very, very embarrassing situation. They had exported some goods to Iraq that included machinery necessary for the production of unconventional weapons. They were very embarrassed by it, and part of the expiation for what they had done was about $8 billion.

That raised the ante for everybody else, the Japanese, for example, and as a consequence we were able to raise $60 billion of the $64 billion out-of-pocket costs of that war.

It looks like now we're in the reverse situation, whereas before the coalition members were paying us money, this time we're having to pay the coalition money—substantial amounts.

WOLFOWITZ. No, Congressman Spratt, 12 years ago the weaker members of the coalition, such as Turkey, were getting assistance from outside. The difference, as you point out, the German position is different. But believe me when Iraq is liberated I think we're going to find a lot more of what you're referring to.

In fact, Germany is one of the largest exporters to Iraq in the world today. Maybe that has something to do with their current position, but it will certainly lead to a lot of opportunity for expiation later.

And believe me, from what I heard from the Iraqi-Americans in Dearborn, the Iraqi people are going to demand it.

SPRATT. Well, let me ask you this: Was the president briefed on Tuesday on the war costs in detail?

WOLFOWITZ. I wasn't in the meeting, Congressman.

SPRATT. Do you know if he was? I mean, the question I'm getting at——

WOLFOWITZ. I know there was a meeting and I know they talked about——

SPRATT. You must have formulated some kind of cost. And the reason I'm pressing this issue is that we're getting ready to move a budget here, and the dollar amounts we're talking about for the likely costs of this war are pretty significant.

That budget will probably contain reconciliation authority for two tax cuts that total—revenue reduction totals of $1.3 trillion. It might be pertinent to everybody, both sides, to know what the likely cost is going to be before we pass a budget resolution, and certainly before we undertake tax cuts of that magnitude.

SHAYS. Thank you, I'm going to recognize Mr. Thornberry, then we're going to go to Mr. Moran, and then we're going to Mr. Hastings.

SPRATT. Normally I get—I'm a ranking member, I get to——

SHAYS. You know what? You are the ranking member. And I would——

SPRATT. I got one last question, then.

SHAYS. You are the ranking member. If you want to take advantage of that, go right ahead.

SPRATT. Yes, I do, I do, I do.

SHAYS. Do you want to deprive one of these congressmen here? OK, fair enough, fair enough. I don't mean to——

SPRATT. These are good troops.

SHAYS. The gentleman may continue.

SPRATT. Is anybody contributing money to us this time? Or do we expect to get any mitigation from—in the way of money from our coalition allies?

WOLFOWITZ. I expect we will get a lot of mitigation, but it'll be easier after the fact than before the fact, unlike the last time.

And let me underscore, too, what I said in that earlier intervention. Obviously, the Congress will need to know some numbers even though they're going to be estimates, because they're going to be dependent on assumptions and whatever we send up here will be based on assumptions that probably will turn out, within a couple of weeks, not to be correct.

But all of that is if we go to war. There is still some small chance that we won't go to war.

WOLFOWITZ. And we're in an extremely delicate point in everything that we're doing.

And let me underscore it again: It's not just at the United Nations, we're working hard to try to get the U.N. to stand up to its responsibilities, it is also in putting together a coalition and getting a number of countries that are quite frightened of their own shadows, to put it mildly. And they're stepping up, though quietly, in a very bold way. And in some ways, most important of all, we're sending messages and signals to people inside Iraq.

This is part of our public diplomacy. And if you'll forgive us for a few weeks, I think it's necessary to preserve some what the diplomats call ambiguity about exactly where the numbers are. But obviously, the Congress is going to have to know sooner rather than later.

Senator BOXER. And I will say that I do agree with Senator Biden when he says that there is a certain lack of candor and honesty here. We know exactly what these things are going to cost, based on what we know so far. And when you say, well, it had cost

us $30 billion over 12 years, in my calculations that is $2.5 billion a year, not $45 billion a year, to contain Saddam.

Now when you talk to my people in my state, they want to know what are we spending, how does that compare with what we spend in this country. Forty-five billion dollars in Iraq. Well, we spend $23 billion a year on higher education. We spend $6.7 billion on HeadStart. We spend $31 billion on all of our highways. And veterans' medical care is $23 billion. And the NIH that is going to find the cure for all the diseases that plague our families, we spend $27 billion. And that is just to give you a clue of why $45 billion a year is more than anyone of those items. And my people at home say burden-sharing is what we want and what we expect.

Now I have read books about how the 21st century, we all wanted to be the American century. The question is: What form does that take? In my mind, to be the American century means we are the leader, and other people follow. And other people share the burden. And if, Mr. Wolfowitz, you are convinced that this has become all about terrorism, then the whole world ought to be with us.

And you talk about the Italians. They have given us 400 troops. You talk about the Poles, 2,400. So how does that come close to what we are seeing? And by the way, the polls are not even—we are spending some of the money to support those troops.

So I am very concerned about the direction that we are going. And in the end, it seems to me we need to use our influence in the world. You know, the President had the chance. He landed on the carrier. He declared the war over. Now you call the war a low intensity conflict. What is a low intensity conflict? I want you to know, when your kid dies, it is not a low intensity conflict.

So we have a lot of problems with this, at least in my state. People in California are very edgy and very anxious.

My question is about a bizarre and morbid new program that we are all reading about today in the newspapers, an administration activity that I view as profiting on death. It is setting up some type of a market for bets on where the next terrorist attack is going to take place, the next assassination. And people are going to profit on death.

And that is coming from your Department of Defense. And I wonder what you feel about that program.

Mr. WOLFOWITZ. My understanding—I learned about it first from the newspaper this morning, also. And my understanding is that it is going to be terminated. In fact, I think there will be an announcement today to terminate it. And we will find out exactly how this happened.

Recognizing, by the way, that the agency that does it is brilliantly imaginative in places where we want them to be imaginative. It sounds like maybe they got too imaginative in this area.

Senator BOXER. Well, if I could comment

Mr. WOLFOWITZ. Let—you said, Senator Boxer——

Senator BOXER. No, no.

Mr. WOLFOWITZ [continuing]. If I might comment——

Senator BOXER. No. Excuse me, sir. Excuse me, sir. You spoke for over an hour. I have like probably no time left, but just conclude on this. I do not think we can laugh off that DARPA program. There is something very sick about it. And if it is going to

end, I think you ought to end the careers of whoever it was thought that up. Because terrorists, knowing they were planning an attack, could have bet on the attack and collected a lot of money. It is a sick idea.

Thank you.

Mr. WOLFOWITZ. Senator, I did not laugh at it. And I do not like what I have read about it.

You said that the President declared the war was over. He did not do that. He declared the end of major combat operations. And he also said—this was on the *Lincoln,* and I am quoting—"We have difficult work to do in Iraq. We are bringing order to parts of that country that remain dangerous." And I agree with you, low intensity conflict is not a very good term, because if you are in it, it is not low. "We are pursuing and finding leaders of the old regime, who will be held to account for their crimes. The transition from dictatorship to democracy," the President said to the sailors on the *Lincoln,* "will take time, but it is worth every effort. Our coalition will stay until our work is done. And then we will leave. And we will leave behind a free Iraq. I think the stakes here are enormous. I think our country will be safer when we win."

Senator BOXER. I think the world ought to get behind us on it.

Mr. WOLFOWITZ. We are working on that.

Senator BOXER. Yes. Well, you have to do better.

The CHAIRMAN. Thank you, Senator Boxer.

Senator Brownback.

Senator BROWNBACK. Thank you, Mr. Chairman. I want to thank the panel as well for being here with us today.

Secretary Wolfowitz, for your putting forward that twin policy objective of fighting terrorism and providing hope, I chaired the Subcommittee on the Near East and South Asia during much of the late nineties as the ranking member, as the chair ranking member. And we held a number of hearings about what can we do in dealing with this region that had so much problems fomenting them and the prior administration really not focusing much on what we could do, passed the Iraq Liberation Act, which was to work with the outside opposition groups, voted on, supported broadly by the Congress, both Houses, signed by President Clinton.

At that point in time, you testified at some of those hearings. And I think everybody was pretty consistent on what we needed to do was to work with the outside groups and that this regime was a horrible regime that had used chemical and biological weapons against its own people and against the Iranians, that had terrorist operating on its soil.

And so it seems to me that we went from a very growing difficult situation in the late nineties to one where, after post-9/11, we had to deal with it, and then a huge bipartisan vote in the House and the Senate to support the use of troops in this situation in Iraq.

I thought then, I think now that our most important and difficult foreign policy issue over the next 5 to 10 years is going to be our relationship within the Islamic region of the world and that the key force is going to have to be fighting terrorism, fighting those who would use very militant means and at the same time providing hope for a future, a different future, a future of democracy, a future

of hope, a future of involvement of all the people. And it seems like you are on that course.

I do not question that mistakes have been made and that difficulties lie ahead of us. But it seems like we finally got a diagnosis that you can move forward with, as difficult as it might be.

I have three questions that I would like to ask and then see if I could get answers from whoever it might be to put these forward, one just a very pragmatic one. Have the rewards been paid for the tips that got the two sons? It seems to me those were a positive aspect on getting some of the tips and maybe more for getting Saddam himself.

A big question I get constantly at home and here is, people are deeply concerned about the loss of troops, particularly this last week where we had several days of three troops being lost. Do we expect some time soon for this spike to subside, or is there anything that we can even project in that area? That may not be one that is even answerable at this time. But I would like to know your best thinking, you or General Keane either one.

And finally, on the Arab Marsh area, which you talked about, which we held hearings on as well, that Saddam drained, is this going to be—is this in the process of being restored? And what could we do to really allow the water to come back in the area? As you note, that is the key to reestablishing that huge region. And I do not know how difficult it would be, but it was one that the opposition groups in the late nineties were very focused on at that time, reestablishing and allowing the water to flow back into those marshes.

Mr. WOLFOWITZ. Thank you for those questions and thank you for reminding me. I should have remember when Senator Chafee was asking about our letter from 5 years ago, that of course both the House and the Senate by very wide margins passed the Iraq Liberation Act. And that was the policy that I was talking about then, which was helping the Iraqi people liberate themselves, not doing the job for them. And that was in fact as declared by two Houses of Congress and, I believe, by the Clinton administration, the policy of the United States.

The three questions you asked. We are working very hard to provide that reward to the individual who turned in the brothers and as quickly as possible the safety of his extended family as part of the issue. It is still not safe in Iraq to be identified in that way.

We feel it is very important, not only to be good to our word, but to have everyone in Iraq know that we are good to our word, so that we continue to get the cooperation both on No. 1 and on all the others.

Second, you know, everybody wants us to predict the future. And when we refuse to predict the future, then they say somehow we are misleading people. The future is not predictable, especially not in a war. You can read that in Von Clauswich. You can read it anywhere. You can read it in all military history.

What we try to do—so I cannot tell you when attacks on our troops will stop. I do believe that we are on the right course, that we are making real progress, that we are rounding up the killers, we are rounding up the weapons, and that it has got to make a difference. Because the second reason, which I believe strongly, is

that these people do not enjoy deep popular support. They are not expanding their recruitment. They are having trouble in that respect, I think.

It is a limited supply, unlike the classic guerrilla war, where the enemy blends in with the population because the population is really sympathetic to the enemy or to the guerrillas. This is inside out. The population really wants to be rid of these people. And that is why I talked at so much length about getting rid of that blanket of fear that keeps people from turning in the people they hate.

And finally, with respect to the Marsh Arabs, it is a question I have come back with a certain sense of urgency about. I am a little bit afraid that we may say, well, it took 12 years and massive engineering works to create this mess. And we have to take time and care in restoring it. And I believe in time and care. But I would certainly like us to look at those things that might be done relatively quickly to at least to begin to create some of that back and some hope for those people. Because I do not think they will survive too much longer, if we do a 10- or 15-year reclamation project.

Senator BROWNBACK. General Keane.

General KEANE. Yes. I would like to add to that. I welcome the opportunity, Senator.

Certainly in the early phases of the war with Iraq, we were fighting the army, and to a lesser degree what limited air force they had. We used all the intelligent resources that were available to this great country and our coalition powers. And we can bring effective combat power to mass very quickly. And we all saw that.

And now we—the character of that war has changed, certainly. And we are fighting an opponent who is living in among the people. And it disarms our technology rather dramatically, to be able to see and understand who they are, where they are, and what they are doing.

The only source to get us the kind of intelligence that we need are the very people themselves that they are living among, and to be able to build the kind of trust and confidence with them to turn in their neighbors, to turn in people who are members of the Baath party, despite the enormous stranglehold of fear that they have on the people of Iraq.

And I think—I know myself, I certainly underestimated what that stranglehold of fear truly was and how pervasive the Baath party was. And it is very similar to the Nazi party in World War II Germany. And the Gestapo and the Fedayeen are analogous to each other, I believe.

So that takes time. And we have to have patience. And I firmly believe it is an act of desperation on their part, because they see the end in sight. They see an Iraqi free government coming. They see physical and political reconstruction coming. And they know they only have months to be able to achieve this. And their objective, frankly, is the moral will of the American people.

It is replete in the Arab press that we can push the Americans out, because they will not stay the course. They did not stay in Lebanon. And they did not stay in Somalia. They do not have the moral and political resolve to stay here and see it through. And that is their strategic objective, in my view, is the will of our own people.

So we have to educate the American people in terms of what the nature of this part of the conflict is like and why it will require patience. And no, we cannot predict when this level of violence will end. But I can tell you that our field commanders are doing everything reasonable to counter that threat, building that trust with the people. And that is why, when the Deputy Secretary pointed out that it is really a hand in glove, the physical and political reconstruction and the security of the country go hand in hand, and that partnership has to take place, because one does follow and complement the other.

I think we are doing the right things. And we are learning every day. I mean, we make mistakes, Senator, no doubt about it. And we will continue to make. But we are a learning organization. And we are a very adaptable and flexible organization in dealing with it. And our soldiers are tremendous in this. You know, they certainly have the skill to defeat an army. And they have displayed that.

But they also bring the values of the American people to this conflict. They understand firmness. They understand determination. But they also understand compassion. And those values are on display every day as they switch from dealing with an enemy and also switch to taking care of a family. And it is remarkable to see that played out every single day.

I know you are proud of them. And we all are very proud of them as well. But it will require some patience on all of our parts to deal with this phase of the war.

Senator BROWNBACK. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Brownback.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

I had to leave to attend a meeting and specifically came back because I wanted to ask about this group called Policy Analysis Market, which I understand Senator Boxer has just asked about. But I have a couple of followup questions. And I compliment you, Mr. Secretary, for indicating to Senator Boxer that you are going to shut down this group.

The concept overview on the Web is as follows, and I quote, "Analysts often use prices from various markets as indicators of potential events. The use of petroleum future contract prices by analysts of the Middle East is a classic example. The Policy Analysis Market, PAM, refines this approach by trading future contracts that deal with underlying fundamentals of relevance to the Middle East. Initially, PAM will focus on economic, civil, and military futures of Egypt, Jordan, Iran, Iraq, Israel, Saudi Arabia, Syria, and Turkey, and the impact of the U.S. involvement with each."

Now that is their description. And then further in the Web site is an example. "Issue A, the overthrow of the Jordanian monarchy." And people basically bet on this. And presumably, according to another one of their Web site pages, they even have a target here on the Web site. And it is showing that the market method is a greater predictor than other methods of polls.

And I certainly commend you, Mr. Secretary, for shutting it down. But I want to know who is behind this. Who would have ever brought this up to the point of getting this thing established?

Mr. WOLFOWITZ. Senator, I would like to know, too. And I intend to find out.

Senator NELSON. Is it Admiral Poindexter?

Mr. WOLFOWITZ. Senator, I first learned about it looking at the newspaper on the way over to this hearing. So I do not know the answer. But I share your shock at this kind of program. I will find out about it. But it is being terminated.

Senator NELSON. Can you tell us how much has already been spent setting up this Policy Analysis Market [PAM]?

Mr. WOLFOWITZ. I will get you an answer for the record.

[The following response was subsequently received.]

The Policy Analysis Market (PAM) project had been funded via SBIR contracts with a company called Net Exchange. The contract for PAM was cancelled shortly after this hearing. A total of $619,750 was spent on PAM.

Senator NELSON. OK.

Mr. Chairman, I assume that you would share the outrage that some of us have in seeing that foreign policy and defense policy of this country would be allowed to be displayed in such a way as basically wagering on death and trading on traitors.

Let me ask you, general, every one of us at this table are getting a lot of questions and comments from husbands and wives and mommas and daddies and employers of the National Guard and reservists. In our case in Florida, fully half of our National Guard has been activated and are deployed. And we are very proud of them. And I had gone to a number of those ceremonies where they were mustering and getting ready to be shipped out.

And then when I was in Iraq a couple of weeks ago, I had the privilege of visiting with a number of Florida soldiers, active duty, as well as reservists, as well as Florida Guard. And sadly, I arrived just as the blood of a Florida National Guardsman was flowing into those part sands, having been the target of a premeditated assassination as he was guarding the group that was going into the university.

So my question is a policy question. And perhaps the Secretary would want to address this as well. You have a certain requirement for troops. And that is going to be there for the foreseeable future. We have relied to a large extent on reservists and National Guard. But when the requirement is extended over a long period of time, suddenly the role of that guardsman or that reservist goes beyond what they initially thought that they were signing up for.

And so what are we going to do? Is the policy going to be that we are going to increase the active duty roster, so that we keep the Guard and Reserve more for what that was intended, or are you going to continue to rely on the Guard and activate them and activate them for long periods of time?

General KEANE. Senator, thank you for your support of our military and in particular for the Guard that you mentioned in your state. There is no doubt about it. I mean our force is stretched. And that is self-evident. And we rely heavily on the Guard.

To give you a sense of it, since 9/11, 45 days after, the Guard has been doing the mission in the Sinai, which we have had since 1982. They are also doing completely the mission in Bosnia. This month they will take over the mission in Kosovo. And they have also been

primarily the force that has been conducting the mission in Guantanamo Bay, where our detainees are.

And also, on the next rotation of the train of Afghan national army in Afghanistan, they will absorb that mission. There are seven Guard battalions in Iraq and Kuwait, as we speak. And part of the rotation force we envision two enhanced separate brigades, one from North Carolina and one from Arkansas, will round out the rotation force.

Now what we will do is we will mobilize Guard and Reserves as a matter of policy for a year and try to hold to that. We have made some exceptions to that, about 7,000 to 8,000 primarily military police and people involved with chemical-biological were extended over a year. But we are attempting to hold to that.

They will not stay in Iraq for a year, the two enhanced brigades. They will stay there about 6 or 7 months, because we want to mobilize them, train them, and demobilize them all within a year.

As it pertains to the—what are the implications to the active force as we look at the global war on terrorism? We are looking at that very hard right now. I mean, some facts are these. The Congress of the United States has enabled us in the United States Army to exceed our end strength by 2 percent. And that is about 10,000. And we have been doing that for most of the global war on terrorism.

The steady state, the Reserve components, so that we can do our daily business on a global war on terrorism short of Iraq, we need another 30,000 just to protect our critical infrastructure in the United States and overseas. So that is 40,000 that we need just to do normal business. That would tell you that the active component is being constrained by that alone, much less our recent commitment to Iraq.

So we are taking a hard look at this. We have identified a number of spaces that we believe we can convert from military to civilian. And we are studying that right now. It is in excess of 20,000. Whether it will turn out to be that or not, I cannot commit to that. And at some point, we will probably be making some recommendations to the Secretary of Defense. To assist us in making that conversion, they would have to—as a matter of policy, the Congress of the United States and the administration would have to permit us obviously to hire civilians that heretofore were doing military jobs.

So it is possible in the future we may make an end strength recommendation to the Secretary. We have not determined that yet until we finish our analysis. But I agree with you that our force is stretched. That is obvious. And we are very dependent on the Reserve components, the National Guard and the United States Army Reserves to do our business.

And let me say that their performance has been nothing short of magnificent. I mean, when you go look at units in Iraq and Afghanistan, you cannot distinguish, in terms of motivation and esprit and commitment to the mission and the performance of the mission from active to reserve.

Senator NELSON. Well, I would only point out that you are probably going to have a retention problem if the Guard and the reservists get the impression that they are going to be carrying the water

and keep getting extended. And therefore, you may be able to give some slack by converting to civilians some of the work.

One of the other things you have to crank into your calculations is the fact, what is the role of the Guard? Right now, we are in hurricane season. And half our National Guard is not there. And if we were ever to get another mega-hurricane, like Andrew, that hits in a high-density population area, you are looking at $50 billion hurricane, not a $16 billion hurricane. That, by the way, is just insurance losses, not the total cost of the hurricane.

And so what is the role of the Guard, your needs there, as well as the needs here? And I urge you with the utmost dispatch to make those decisions.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Nelson.

Senator Voinovich.

Senator VOINOVICH. Thank you, Mr. Chairman.

Mr. Wolfowitz, I want to tell you that I was very impressed with your presentation today. It is very encouraging to me. I hope it is encouraging to the people that read your testimony and have watched you on television.

So often in life we accentuate the negative and eliminate the positive. We always talk about the glass being half empty instead of half full. And I think there are a lot of things that you talked about today that we should feel very, very good about.

That being said, I think I agree with the rest of the members of this committee, that I think you and Mr. Bolten should be more forthright in terms of what the costs are going to be, so that we have some idea, and the American people know, how long, how much. I know there are some uncertainties, but I think you can figure out a conservative number and share it with us. And I think it will eliminate some of the problems that you are having with some of the members of this committee and other Members of Congress.

I was pleased that you were saying that you are doing better than you do in Kosovo. And as you know, that is the area that I have concentrated on. I want to tell you, I was very disappointed, Mr. Secretary, that when we had a hearing on Kosovo, we did not have anybody from the Defense Department there to testify about how long you think we are going to be there and what our commitment will be. And I would like to know that. I would like to get that information.

I would also like to say that I share Senator Nelson's concern about the National Guard and the deployment of Guard and Reserve troops. I know that you have clarified for our active duty troops when they are coming home. I wonder if we have clarified for the Guard and the reservists when they are going to come home.

Also, we need to consider what impact this whole thing is going to have on our force structure. Should we reevaluate the way we are looking at our responsibilities and the role of the National Guard and our reservists in that?

The other issue that I would like to raise deals with the same thing. Secretary Rumsfeld has represented that we are going to have a lot more troops from all these countries. I know that we

have asked India to participate. They indicate that they do not want to participate until we have a U.N. resolution. I would like to know, are other countries that we would like to have, our NATO friends or other allies, taking the same position? And if they are, what are we doing about going to the United Nations and getting a resolution that will eliminate that condition precedent of getting more people involved with us in Iraq?

Mr. WOLFOWITZ. As I said earlier, Secretary Powell is talking to various members of the Security Council about what might be possible in the way of a resolution. And we would certainly like to see one provided it does not put limitations on what Ambassador Bremer and our people can do in Iraq that are crucial to speeding up transition to normalcy and stability and allow us to hand over power to the Iraqis, which is really the key to things.

We are working. It is harder to try to get some stability into the numbers for the Guard and Reserve. I need to say especially to Senator Alexander we are deeply grateful personally to the magnificent support we got on my trip from members of the Tennessee Air National Guard, who flew us around Iraq. And I was very unhappy to learn how many months they have been on active duty. And I promised them to try to find out at least why and possibly to give them some certainty.

What we hear over and over and over again from both active duty and Reserve troops is the hardest thing is not knowing when they are coming home or when they are coming off active duty. And to give them some certainty, even if it is a relatively long period of time, they are prepared to work to. And we are trying to put some of that into the system.

Senator VOINOVICH. We are getting a lot of letters every day from——

Mr. WOLFOWITZ. I can imagine you are. We do, too.

Senator VOINOVICH [continuing]. Saying when, when, and at least tell us what the score is.

Mr. WOLFOWITZ. And we are looking at whether we have the right mix of active and Reserve forces. Some Reserve units get called up too much because we made decisions years ago to put certain functions entirely in the Reserves or heavily in the Reserves. And then we end up using those people like civil affairs people on a very intense scale.

And we are hoping to get authority from the Congress that will allow us to take some of the jobs that are currently done by uniform people that could very well be done by civilians. The estimates are up to maybe 320,000 that could relieve some of the overall stress on the force.

Senator VOINOVICH. You know, one of the things, also, if the Guard is so involved, General Keane, I have written and asked about equipment and training for our National Guard in Ohio. We send somebody down to get training for helicopter duty. We spend about $200,000 to train them. And then they come back to Ohio, we do not have the helicopters that they can fly to reinforce the training that they have received.

And so it seems to me that if the Guard is going to be part of the force that we need to rely on, that we ought to give them the equipment to make sure that they are trained up and ready to go

and not have to go through this fumbling around that I have been going through for the last several years trying to get some attention paid to our units in Ohio.

I will just finish up on this note. I want you to know that I think it is very, very important to the American people that you be successful in Iraq, and that we should be willing to make the financial commitment and provide the resources to get the job done. It is important to those of us that are here today. But it is more important to our children and grandchildren that we be successful there.

And I just want you to know this Senator is behind you and will do whatever we can to make it possible. I know we have a lot of things here in this country, priorities that need to be addressed. But we have to have a safe world. And I do not want my children and grandchildren living under the cloud that they are under right now.

Mr. WOLFOWITZ. Thank you, Senator. That is the way I feel. And I think it is the way our troops feel.

General KEANE. We agree, Senator. Thank you for your support. In reference to the rotation, what we established was a year-long rotation as a matter of policy. So all those who are currently serving in Iraq obviously are being informed of that. And that applies to the National Guard and Reserve units that are there as well.

And while we have worked out the details of all the major organizations that will be replaced, in other words what divisions and what combat brigades, right now, we will complete it this week, the much smaller organizations, some of which do come from the National Guard and the Reserves, that will replace the combat support and combat service support troops. Those are the theater support troops for the combat formations. All the details of that are being worked out this week.

And those organizations who will be going will be notified, as well as those organizations in theater in Iraq, who will be replacing them and when. And then we will commit to that date.

Senator VOINOVICH. Thank you.

The CHAIRMAN. Thank you very much, Senator Voinovich.

The Chair would just note that we are probably close to a rollcall vote. But we are going to have 5 minutes from two Senators who have been so patient. And I hope the witnesses can remain with us. Senator Biden may have a closing comment, if we have an opportunity.

Senator CORZINE. Thank you, Mr. Chairman. And I appreciate your holding this hearing.

I want to premise what I am going to say by echoing what my colleagues have said. We are all proud of the American troops. It is extraordinary, their courage and commitment. I also want to echo what Senator Voinovich said. I think we are all committed to winning the peace and making sure that our heritage for our children and grandchildren are secure. And I doubt if there is anyone on this committee who would stand in the way of providing adequate resources to help us finish the task that we have taken on.

I probably will have the glass half empty view with regard to some of the information that we are being provided and questions that sometimes strike at the credibility of that. And I will say that when selective information, framed information, some people would

call spin, but I would say framing information, only in a way that it justifies a case, is very, very difficult, makes it very difficult for those of us who are interfacing with the American people all the time to try to win that case and build that patience and build that trust. The same trust that we are trying to build with the Iraqi people we need to develop with the American people with regard to the case.

And I will tell you that for one Senator who read the Hamre report, which starts with the potential for chaos is becoming more real every day, and then goes on with a very detailed outlay of what is happening, what I hear today does not match with what I am reading with respect to the details of the Hamre report.

Now there is nothing more important in my mind than the fact that we continue to lose American men and women on the ground in Iraq all the time. It is a cost that we may very well need to justify for the American people. But it is very real, 11 in the last 5 days.

It is not clear to me, based on reading the Hamre report and in any kind of discussion we have had today, whether that is Baathists, whether it is outsiders, or it is criminal organizations that are organizing themselves for a long haul in committing crimes against the Iraqi people and for their own purposes.

The idea that we cannot come up with a baseline—everyone knows in budgets that you have baselines and extreme outer elements with regard to costs—to not have some idea of where we are going with regard to the cost of this to the American people so that we can make the judgments about how much we are going to have to make sacrifices here at home is just, I think, a travesty within the context of how we have to make budget decisions here.

The idea that we talk about weapons of mass destruction programs, and we do not relate it in a composite way, the way we argued so fully at the start of this hearing, in a context of Korea, where we know there are programs of weapons of mass destruction, to me seems to be an abrogation of following through on the principles of what we talked about.

So I am very troubled about how the knowledge base that we have to form the decisions and try to win over the American people and develop that patience and trust is being provided. I have a simple question. Do you buy the conclusions of the Hamre report? Have you—or do you have a different view? Because what I heard today was different. And I can go line by line through this report.

The potential use of force by multiple internal and external players, serious security breaches challenge the U.S. confidence and undermine U.S. credibility, rising economic insecurities.

You know, this was a hearing about the status and prospects for reconstruction and the resources necessary. And in all fairness, I am not hearing that. And I think that makes it very difficult for us, those of us who are interfacing with the American public, to go to them and make the case in a credible way.

Six men and woman in New Jersey have died. I do not feel comfortable I have the information to be able to argue that we want that patience that I know we need to have for purposes of going forward.

Is the Hamre report an accurate reflection of what is on the ground?

Mr. WOLFOWITZ. Senator, we commissioned the Hamre report because we wanted an independent look. And I think it is substantially correct. I tried to emphasize in my testimony that we think there is an urgent need to get on with the provision of basic services, particularly electricity, and dealing with the unemployment problem. And I in no way mean to minimize them. I think they are large. I think the security problem is large. I hope I did not minimize it.

And that Americans are getting killed is very bad. That the numbers have been going up is very bad. And to some degree there is a certain sophistication in the attacks that is in the wrong direction. I want to be clear about that.

At the same time, our commanders also feel that they are making substantial inroads in getting at that Baathist infrastructure that is responsible in their view for funding most of the attacks on us.

The one thing I would say in answer to your question, it is not random violence that is our problem. And in fact, in all the incidents that I can think over the last month or so, there is only one which was serious, where some British troops were killed in a small town, that clearly had a independent local cause. Most of it seems to be this pattern of mid-level Baathists with money hiring probably either Fedayeen Saddam or maybe young men, who are not particularly committed, but just want to make some money, to do a hit either on a power line or on an American.

And as I said earlier, it is a most unusual tactic. I do not know of it in previous guerrillas war. It is a serious problem, but we think we have a strategy to deal with it. If that strategy looks like it is not working at some point, we will come back and talk about it. But the people dealing in the most difficult parts of the country, General Odierno in the 4th Infantry Division, General Dempsey in Baghdad itself, and even General Blount, who has in many ways, unfortunately, the 3rd Infantry Division, which had the toughest fight going north also ended up with the toughest area of the country out near Faluja. Just the day we met with him, he reported that one of the key imams who had been opposing the coalition had come over.

It is a glass half empty, glass half full. And I agree very strongly with the emphasis in the Hamre report that we need to move quickly. Because if you get to a point where the Iraqi people no longer believe that you are going to win, then it becomes very difficult to win.

But I think, you know, the most dramatic evidence of the last 10 days was getting those two miserable creatures who did so much to that country. And it is not just because it is satisfying to be rid of them. It is because it means so much to the Iraqi people. And even in the Sunni, predominantly Sunni, city of Baghdad, people were shooting off for two-and-a-half hours afterwards in celebration.

Senator CORZINE. Mr. Secretary, though, just my read of the Hamre report says that there are external sources of violence. There are criminal organizations that are independent of the

Baathist activities. And many of these are the potential for, or party to, the violence we are seeing now.

Mr. WOLFOWITZ. Senator——

Senator CORZINE. If we only frame it in certain ways, and that is why I think it is so—if we only look at it in the context of the two brothers, then I am not sure that we are looking at it, at least the way I have read and addressed, or thought I was addressing, this report.

Mr. WOLFOWITZ. OK. Well, let me say, there are multiple problems. But criminal elements are not targeting American troops. The people who are shooting deliberately at us have a strategic agenda. And that agenda is to kill Americans so that we will leave, and they can bring back this evil regime. There is no question about that.

There are other problems. There is, and I think someone referred to it specifically, there is the danger, if we do not deal with the unemployment problem, that organized crime of the normal kind will become a big problem of Iraqis killing Iraqis more than Iraqis killing Americans. And that is one important reason why training an Iraqi police force is so important.

And yes, I cited Mosul as an example of success. I did not mean to suggest that every city in the country is like Mosul. But my sense is that where we have success, we are able to reinforce it. And where we do not have success, we are able to move forward. We have superior force on our side, superior resources on our side, and the support of the Iraqi people on our side. So where there are problems, we can solve them, and where there is success, we can reinforce it. And I would much rather be in our position than the people who are trying to defeat us.

Senator CORZINE. And make sure we have the ability to speak to the American people on this issue.

The CHAIRMAN. Thank you very much, Senator Corzine.

Senator Alexander.

Senator ALEXANDER. Thank you, Mr. Chairman.

Thank you for coming and for staying so long. My views are these. I think we were right to go to Iraq. The U.S. Senate thought so, too, by a big vote. I think the war a lot better planned than the peace, and we have talked about that here. And we are getting beyond that.

I am encouraged by what I have heard from Ambassador Bremer and what I have heard today about the town councils, about the civil defense being developed, about the 65,000 to 75,000 police being trained, about the battalion of Iraqi soldiers. I hope that we will move quickly in some appropriate way to involve other nations, if we can. I hope we will move as rapidly as we can to put the Iraqi forces out front.

And as one Senator, I am prepared now that we are there to insist that we see it all the way through to the end and that we have learned the lesson of Vietnam and Somalia well enough to provide that support.

I have two questions. And I will ask them both at once and see if there is any reaction. And they are a little different than what we have talked about so far. One has to do with our forces, lessons that we have learned. By the way, I think the Hamre report is a

good example of being straightforward. After all, the Secretary of Defense, if I am not mistaken, invited them to go to report to him on what they found and then to make public to us and to the world what they found. That is an example of an America that is very open and straightforward with people.

But here are my questions. One, on forces in the field, we invited special forces years ago in our services to deal with some different sorts of situations. And they have come in awfully handy. And we have now integrated them into our regular army and regular forces.

I know we have civilian affairs people in the Army. But are we not learning that we may need some special forces for winning the peace? I mean, what the 101st Airborne Division, as good as it is, is trained to do is not a lot of what it has been doing in the last few weeks. And one of the disciplines of the Army, I know, is that we train for what we do. We train and we train and we train for what we do. And we are doing some things that our forces are not trained for. And should we not consider some training for those situations?

And then my second question, I will ask them both at once, has to do with what happens at home. I am glad to hear that you are going to be saying when troops are coming home. That is the most important thing, is to some certainty, if you can give them that. And Senator Chambliss and I have been conducting hearings on military parents raising children, and particularly in light of the long deployments.

I hope that the Defense Department will put as a high priority a focus on the families at home, such things that we do not hear as much about, childcare, which is actually a success story in the military, but there are some things that need to be done there. The children who transfer when they are senior in high school, the length of deployment, jobs for spouses, housing issues.

I think the more we focus on military parents raising children, the readier our forces in the field will be. And I just wanted to mention that while we are here.

General KEANE. Senator, we completely agree on the use of special forces. We are committed right now with a significant number of our special forces to Iraq, as they are in Afghanistan. And what they are able to do for us is, much of the work that needs to be done needs to be done in terms of human intelligence, contact with the people. We call it low level source networking. And that is literally dealing with people on the street. And our special forces have increased training capacity to do that. And you are absolutely right.

So we are using them to the best of our ability. They are stretched in terms of the commitments that they are making to Afghanistan, to the Philippines, and now to Iraq. But they are doing very good work. And we are sending over the 82nd Airborne Division to replace the 3rd Infantry Division. And we intend to package some special forces with them and have them work directly for the commanding general of the 82nd Airborne to get at the very issue that you are talking about.

You put your finger on a capability that is excellent. And we need to exploit it as much as we possibly can.

Infantry forces are what they are. I mean, they are designed to fight other infantry forces or other combat formations. While they can be used on the streets of the cities, and they are, and they can be used in civil military operations, which they are, they are not as well trained for that as some of our other forces, as our special forces and civil affairs.

The problem we have is those forces numbers are finite. And they are smaller in number than the requirements that we have. And that is the challenge that we have.

The other issue dealing with families, again, you put your finger on another critical issue. The volunteer force, which I personally believe is the most significant military transformation since World War II, the enormous success of the United States military, I think, is largely attributable to the fact that the people are in it because they want to be. And they come to us smart, competent, with dedication to serve their country.

And that has literally changed our force. The challenge with that is, they come with a family. And administering to the needs of a family from education to spiritual development to childcare to recreational activities is a challenge that we have been facing for a number of years. And we have enjoyed the support of the Congress in doing that.

We put an enormous amount of attention on this issue, not just when our forces are deployed, which we are currently doing, but every single day. And we work very hard at it. We are not perfect at it. There are shortages out there that certainly we would like to see filled. But it clearly is a very high priority for the United States military; that is, taking care of our families.

And just let me say that the support that our soldiers receive from their families is just enormous. They are like soldiers themselves in terms of their own sacrifice and dedication to their loved one and also to the organizations that their loved one is in. And we just have enormous pride at how they respond to the challenges that we are asking for the United States military.

Thank you.

The CHAIRMAN. Thank you very much, Senator Alexander.

Senator ALEXANDER. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Biden.

Senator BIDEN. Mr. Chairman, if I could just briefly close my comments by saying that there is an article in the Philadelphia Inquirer on July 11. And it said, "A small circle of civilians in the Defense Department have dominated the planning of post-war Iraq, failed to prepare for the setbacks that have erupted over the past 2 months."

Based on the testimony here today, I think we are making the same mistake again. I think you are failing to prepare for what is the reality on the ground. I no more agree, just for the record, with your assessment that Iraq is the hotbed of terror now than I did when your assertions about al-Qaeda connections at the front end. And I voted to go into Iraq. And I would vote to do it again.

And it seems to me the failure of Iraq would be a lot worse than anything that happened before Iraq. The President, it seems to me, has to tell the American people, general, you were saying earlier, prepare them for what is expected of them. And it is going to be

tens of billions of dollars and tens of thousands of troops for an extended period of time.

That window is going to close in Iraq. But it is also going to close, as my friend Senator Corzine was implying, in terms of American public opinion, if we do not start to level with them. Our credibility as a nation is at stake right now. And I think you are going to lose the American people, if you do not come forward now and tell them what you know, that it is going to cost tens of billions of dollars, of American taxpayers' dollars, and tens of thousands of American troops for an extended period of time.

They think Johnny and Jane are going to come marching home. And I would also point out that you need cops now, you need a different mix of troops now. And I did not hear anything today to indicate that you are going to get that to happen. I think you got it wrong in the first place, in terms of pre-war planning. The assumptions, as you said, Mr. Secretary, turned out to be an understatement of the problem. I think you are understanding the problem again.

We can do this. We can win this. We can win the peace. But you had better start to tell the American people now, or they are not going to be around. They are not going to be around. They are going to be asking us to bring the men and women home, which would be a tragic mistake.

So level with them, billions of dollars, tens of thousands of troops. I will vote for it. I will support it. I will stay with you. The President has to tell them now, now, now, now.

The CHAIRMAN. Well, let me thank all the Senators. I thank the witnesses especially for their testimony, staying with the hearing. We are at the end of the rollcall vote. And this is why Senators have disappeared. But we appreciate very, very much your being here today. And we look forward to staying closely in touch with you.

Mr. WOLFOWITZ. And Mr. Chairman, if I might for the record submit some refinement on those numbers in CPA that Senator Dodd referred to. I believe it is very important, the State Department role in this is crucial. I think those numbers do not quite portray what the balance is, but I would like to——

The CHAIRMAN. Please supplement the record. And it will be included.

Mr. WOLFOWITZ. Thank you.

[The following response was subsequently received.]

As of October 13, 2003 the Coalition Provisional Authority in Iraq was represented by a total of over 1,000 people. The CPA represents a diverse compilation of Executive Branch agencies including, but not limited to, personnel from the Department of Defense, Department of State, USAID and others working together under the direction of Ambassador Bremer toward the common objective of a sovereign democratic Iraq. Additionally, the agencies have dedicated significant resources to the CPA in Washington and Iraq that do not work directly for Ambassador Bremer.

The CHAIRMAN. I thank you all very much. The hearing is adjourned.

[Whereupon, at 12:38 p.m., the committee adjourned, to reconvene subject to the call of the Chair.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, DC, July 14, 2003

The Honorable BILL C.W. YOUNG*
Chairman
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

DEAR MR. CHAIRMAN:

On behalf of the President, I am submitting the second in a series of reports required under Section 1506 of the Emergency Wartime Supplemental Appropriations Act, 2003.

As noted in the report, we have moved from an emphasis on immediate relief operations and are now engaged in a wide variety of reconstruction activities including restoration of the electric grid, repair of the water and sanitation infrastructure, and assuring the delivery of critical health care. We have also resumed the food distribution system which is now reaching all Iraqis in need.

There are a number of key tasks ahead including restoring law, order, public safety and self-government, implementing judicial reforms and regenerating economic activity and growth. We will look forward to working with the Congress as we proceed with this crucial work.

Sincerely,

JOSHUA B. BOLTEN, *Director*

*Identical letters sent to: The Honorable David R. Obey, The Honorable Ted Stevens, and The Honorable Robert C. Byrd.

Report to Congress
Pursuant to Section 1506 of the Emergency Wartime Supplemental Appropriations Act, 2003
(Public Law 108–11)

90 Day Update Report on United States Strategy for Relief and Reconstruction in Iraq

Section 1506(b) of the Emergency Wartime Supplemental Appropriations Act, 2003, (117 STAT. 580) provides:

(b) SUBSEQUENT REPORTS.—Not later than 90 days after the date of enactment of this Act, and every 90 days thereafter until September 30, 2004, the President shall submit to the Committees on Appropriations a report that contains:

(1) A list of significant United States Government-funded activities related to reconstruction in Iraq that, during the 90-day period ending 15 days prior to the date the report is submitted to the Committees on Appropriations—

(A) were initiated; or

(B) were completed.

(2) A list of the significant activities related to reconstruction in Iraq that the President anticipates initiating during the 90-day period beginning on the date the report is submitted to the Committees on Appropriations, including:

(A) Cost estimates for carrying out the proposed activities.

(B) The source of the funds that will be used to pay such costs.

(3) Updated strategies, if changes are proposed regarding matters included in the reports required under subsection (a).

(4) An updated list of the financial pledges and contributions made by foreign governments or international organizations to fund activities related to humanitarian, governance, and reconstruction assistance in Iraq.

The report that follows has four sections that correspond to the four specified categories listed in section 1506(b).

On June 2, 2003, the Administration submitted the initial report required by Section 1506 of the Emergency Wartime Supplemental Appropriations Act, 2003. As

noted in this initial report on U.S. strategy for relief and reconstruction in Iraq, U.S. policy goals for the recovery of Iraq remain to:

- Establish a secure environment for the Iraqi people and the conduct of relief and recovery activities;
- Achieve measurable improvement in the lives of the Iraqi people;
- Maximize contributions from other countries and organizations;
- Prepare the Iraqis for self-government.

Security continues to be the top Coalition priority. Security is the foundation for success of reconstruction efforts in Iraq and a fundamental task in our administration of Iraq. We have made significant progress since the collapse of the Iraqi regime, but substantial challenges remain.

The security situation in Iraq is complex. In some areas, the security environment is generally permissive—there is reasonable freedom of movement, recovery activities proceed without significant hindrance, and Coalition forces are engaged in stability operations. In other areas, the environment is less permissive and Coalition forces are engaged in combat operations against remnants of the Baathist regime.

The Coalition's approach to establishing security in Iraq is multifaceted, but a key component is engaging Iraqis to assist in providing for the security of their own country. The Coalition has moved to establish Iraqi police forces and shortly will begin recruiting, vetting, and training the first members of a new Iraqi Army. Security forces for ministries and for other purposes—for example, port security—are being screened, hired, and trained. These significant activities are described further in this report.

1. A list of significant United States Government-funded activities related to reconstruction in Iraq that, during the 90-day period ending 15 days prior to the date the report is submitted to the Committees on Appropriations—

(A) were initiated; or

(B) were completed.

SIGNIFICANT ACTIVITIES. The initial phase of relief and recovery activities to improve the lives of Iraqis has focused on providing basic services, delivering utilities, and reestablishing law and order. It is important to note that, thus far, there have been no humanitarian disasters of the type that had been predicted. There is no food crisis, no refugee crisis, and no crisis in public health.

Since the creation of the Coalition Provisional Authority (CPA), the Administrator of the CPA has had the primary responsibility for identifying requirements for relief and reconstruction in Iraq, and for overseeing, directing, and coordinating all U.S. Government programs and activities in Iraq, except those under the command of the Commander, U.S. Central Command. Significant activities during this first phase, by sector, include:

Food. The near-term focus has been on food distribution. Over one million metric tons of food (much of it U.S. purchased or donated) has been delivered to Iraq since the war. Another 2.2 million metric tons will reach Iraq by the end of October. In June, the CPA, working with the UN World Food Program, successfully restarted the public food distribution system. This system will now reach all Iraqis—even those excluded under the Saddam regime. These activities will continue until Iraq becomes more self-sufficient and transitions to a more market-based system. As an important step, the CPA, working with the Iraqi Trade Ministry, the World Food Program, and the Food and Agricultural Organization, has bought Iraqi harvests at a fair price, and so far has purchased about 150,000 metric tons of wheat and 20,000 metric tons of barley.

Health. The immediate focus in this area has been on rapid return to at least pre-war healthcare levels throughout Iraq. Pre-war health conditions were poor and the medical infrastructure was degraded by looting in the immediate aftermath of conflict. The public health situation is improving throughout the country and there are no significant health crises. The CPA activities have focused on working with the Ministry of Health to ensure that basic healthcare services are available to all Iraqis. Today, nearly all of Iraq's 240 hospitals, 10 specialty centers, and more than 1,200 clinics are open and receiving patients. Services at these facilities are at approximately 90 percent of their pre-war levels in the Kurdistan regions, 80 percent of pre-war levels in the South, and 70-75 percent of pre-war services in Baghdad. Preventive services also have been initiated, beginning with National Immunization Day on June 22. This program will be continued every month, providing protection against disease to all children of Iraq.

Iraq's pharmaceutical and medical supply distribution system, known as Kimadia, is functional again under the auspices of the Ministry of Health, and over 1,500 tons of supplies have flowed to hospitals, clinics, and warehouses throughout the country. An Iraqi International Medical Assistance Committee (IMAC) is established and coordinating incoming offers of assistance and supplies from non-governmental organizations throughout the world. This Committee ensures that donations are carefully vetted and targeted to existing needs. However, extensive looting and a decade of governmental neglect have caused major infrastructurc challenges that must be addressed. Facilities and basic medical equipment are in need of maintenance and repair. In Baghdad, the CPA has purchased new generators for hospitals and has begun renovation of the Ministry of Health headquarters. The Senior Advisor for the Ministry of Health is coordinating an overall assessment of health care needs throughout the country and is focusing all available resources on the pressing infrastructure needs.

Power. The CPA efforts have aimed at rapidly achieving pre-war power levels throughout Iraq. Pre-war planning limited damage to the electrical system during the conflict, but restoring electricity has been challenging because the pre-war power infrastructure was a dilapidated, fragile, patch-work system. This system has become even more unstable due to the continuing, targeted sabotage of power lines and stations and looting of spare parts and computers. Much of Iraq is now at or above pre-war power availability, with Baghdad the notable exception. Power availability in Baghdad has averaged about 1,000 megawatts per day over the last several weeks, up from 300 megawatts at the end of major combat, but well below the approximately 2,500 megawatts per day pre-war. Outages in specific areas also have ripple effects in other sectors such as water and oil. The CPA is working through a USAID contract and with the Iraq Electricity Commission to improve power generation in the short term and repair the power infrastructure for the longer term.

Water and Sanitation. The focus of activities has been on increasing water supplies to pre-war levels and restoring sewage treatment plants to operation. Much of Iraq is at or near pre-war water availability, and there are no critical water shortages. Baghdad water supply levels have plateaued at about 1,600 million liters per day, less than the pre-war level of 2,000 million liters, but adequate to avoid critical shortages. The CPA is working through a USAID contract to increase water supply to East Baghdad by 45 percent (increasing water supply to Baghdad by 15 percent overall) and to rehabilitate water treatment facilities supplying Basra. The CPA and several international organizations have also funded sewer and sewage treatment repairs.

Oil and Fuels. Activities have aimed to restore Iraqi oil production as rapidly as possible. Limited Iraqi oil exports resumed on June 22, 2003, when oil stored at Ceyhan, Turkey, was loaded on tankers. This freed up storage space removed one limiting factor on production. Crude oil production was about 750,000 barrels per day in late June and is expected to exceed 1 million barrels per day by late summer—but this production level will depend on many variables, including security of the oil infrastructure. While oil production is coming on line, CPA activities have also focused on ensuring adequate supplies of fuels for the Iraqi people such as gasoline and liquid petroleum gas (LPG). Daily gasoline supply fluctuates between 50-100 percent of pre-war consumption, and is expected to equal or exceed pre-war consumption by late July. The LPG supplies are expected to reach about 95 percent of pre-war levels via increased imports by late July.

Public Safety/Law and Order. The CPA activity has focused on vetting, hiring, training and deploying Iraqi police forces and other security forces to assist in establishing a secure and permissive environment. The CPA has recalled to duty over 30,000 police officers, is refurbishing police academies in Baghdad and Basra, is equipping 26 police stations in Baghdad, and in May began joint Iraqi-Coalition patrols. After extensive looting, CPA has had to provide virtually all equipment, uniforms and office supplies to stand up the police capability. In Baghdad, 33 police stations and 3 police divisions are now operating 24 hours a day resulting in a dramatic increase in daily patrols. The CPA and Coalition forces created an armed port security force for Um Qasr port, and are beginning to create security forces for various ministries. Rebuilding Iraqi police forces has been a challenge because the existing force was poorly trained, ineffective, and widely distrusted. But the creation and training of responsible public safety forces are indispensable to long-term progress in Iraq. To address the police situation, former New York City Police Commissioner Bernard Kerik was appointed to serve as CPA's Senior Policy Advisor overseeing the police, fire, borders, customs, and immigration organizations. Mr. Kerik's team recently completed a study that recommended the creation of a 50-80,000 member Iraqi police force. This force would be trained and supervised by international police advisors.

Justice Reform. The CPA has undertaken a number of initiatives directed towards instituting the rule of law in Iraq and building public confidence in the legal system. On June 9, 2003, the CPA suspended certain criminal laws that violated fundamental human rights, such as the offense of insulting a public official.

On June 18, 2003, the CPA issued procedures for applying criminal law in Iraq. These procedures used the Iraqi Law on Criminal Proceedings of 1971, as amended by CPA, as its basis. These criminal procedures recognized that the effective administration of justice must consider:

(a) the rehabilitation of the Iraqi investigative and trial capability;

(b) the continuing involvement of Coalition forces in providing critical support to many functional aspects of the administration of justice;

(c) the need to transition from this dependency on military support;

(d) the need to modify aspects of Iraqi law that violate fundamental standards of human rights;

(e) the ongoing process of security internee management as provided for by the Fourth Geneva Convention; and

(f) the possibility of the exercise of jurisdiction by Coalition authorities regarding the commission of war crimes against Coalition forces.

The new procedures established certain fundamental legal rights, including that confessions extracted by torture will be inadmissible as inculpatory evidence under any circumstances; previously, such confessions were admissible if corroborated by other evidence, even if that other evidence was obtained through torture.

The Administrator has also established a Judicial Review Committee to examine all judges and prosecutors nationwide for complicity in the crimes of the former regime, corruption, or other malfeasance and to remove all offenders. These problems were endemic under the former regime and eradicating them is crucial to public faith in the justice system. A Central Criminal Court of Iraq has been created as a model of procedural fairness and judicial integrity. Repairs and rehabilitation are underway or complete on many court and prison facilities severely damaged by looting, war damage, or neglect by the prior regime.

Restoring Economic Activity. Moving beyond the initial phase of relief and recovery activities, economic regeneration is the key driver in the overall process of rebuilding Iraq and will provide the most tangible evidence of progress made by the CPA and the Interim Administration. Iraq's assets—its physical resources and its skilled, energetic people—create opportunities for Iraq as a nation. The potential benefits to the Iraqi people are huge. The CPA's priority will be to encourage rapid transition to an economy guided by free market principles. These have been shown, in case after case, to offer the quickest way to generate efficient and job-creating economic activity. The Coalition must also make the ease for the role of foreign investment in the development of Iraq. At the same time, it will be essential to put in place an adequate social safety net to protect those disadvantaged by rapid change.

During the past 30 days, the Administrator of the CPA announced a $100 million Construction Program initiative as a means to rejuvenate the construction industry and leverage the effects of the jobs it creates to get the economy moving forward. This Construction program, the Division/Brigade Commander and Regional Director Emergency Response Programs, the salary and pension payments program, other critical infrastructure reconstruction programs, and Ministry operations and capital expenditure programs—all underpinned by the CPA and Coalition Joint Task Force 7 (CJTF-7) efforts to help ensure security—are contributing to economic restoration.

SOURCES OF FUNDS. Through the end of June, the U.S. Government has allocated approximately $2.7 billion of funds (U.S.-appropriated and Iraqi seized and vested) for relief and reconstruction activities in Iraq, including the significant activities noted above. The $2.7 billion allocation covers the following activities. A more detailed table is attached.

- $730 million for relief efforts to reestablish food distribution, provide medical supplies, purchase fuels, and provide other humanitarian efforts.
- $400 million for emergency payments and salaries for civil servants and other workers in various sectors and for pensioners.
- $1.37 billion for reconstruction activities including reestablishing critical services (water and sanitation services, electricity), ministries, oil production, and security forces.
- $200 million for activities that support operation of the Coalition Provisional Authority.

Sources of the $2.7 billion for these activities include:

- Iraqi state assets—both vested and seized—totaling about $750 million as of June 30th. The Iraqi assets are being used to finance the salaries of Iraqi civil servants, regular payments for Iraqi pensioners, construction program projects, and other critical relief and reconstruction activities in direct support of the Iraqi people.
- U.S.-appropriated funds totaling about $2.0 billion for relief and reconstruction efforts. Thus far, the U.S. Agency for International Development (USAID) and the Department of Defense have been the channels for the majority of this U.S. financial support.

Appropriated funds are contributing to the relief and reconstruction efforts in the following ways:

- USAID has allocated approximately $1.4 billion. $740 million was drawn from the $2.475 billion appropriated in the Iraq Relief and Reconstruction Fund. The balance was drawn from the Emerson Trust and borrowing from USAID accounts before the war. All planned reimbursements have now been made. USAID has used these funds to restore economically critical infrastructure in Iraq including establishing emergency telecommunications, water, sanitation, and electricity services, food distribution, and transportation capability.
- The Department of Defense has allocated approximately $460 million for reconstruction efforts in Iraq, which includes repairing damaged oil facilities and related infrastructure and preserving the oil distribution capability in Iraq, contracting for trainers for the New Iraqi Army, and providing direct support to the Administrator and CPA staff overseeing the reconstruction of Iraq.
- Of the $66 million for the Department of State, over $40 million has been allocated for relief efforts of the UN, International Organization for Migration, and International Committee of the Red Cross. Additional funds will follow to support ongoing humanitarian efforts of the UN and the ICRC as well as the return and reintegration of displaced Iraqis.
- The Department of the Treasury has provided $2.2 million for activities within its field of expertise.

At the end of June, the balance in the Development Fund for Iraq (DFI) account was approximately $1.071 billion, consisting of the transfer from the United Nations of $1 billion from the Oil for Food escrow account, $1 million of earned interest, and $70 million of proceeds from the sale of wheat. The Administrator of the CPA intends to deposit into the DFI: (1) 95 percent of the proceeds from the sale of petroleum, petroleum products, and natural gas; (2) any returned Iraqi assets provided by UN member states; and (3) funds attached to Oil for Food contracts that are not prioritized or executed by November 21 and for which letters of credit have expired. Foreign governments have frozen approximately $2.9 billion in Iraqi assets to date, but none of these funds have been deposited in the DFI. To date, no funds have been expended from the DFI.

The projected estimate of revenue from the sale of Iraqi oil through September 2003 is approximately $1 billion, based on the current market price. As stated in the initial report, all DFI resources will be used for the humanitarian needs of the Iraqi people, for economic reconstruction and repair of Iraq's infrastructure, for continued disarmament of Iraq, for the costs of an Iraq civilian administration, and other purposes benefiting the people of Iraq.

On June 25, 2003, the United States and the United Kingdom, with participation by the CPA staff from Baghdad via telephone, met in Washington with representatives from the United Nations, the World Bank, the International Monetary Fund, and the Arab Fund for Social and Economic Development to discuss terms of reference for the International Advisory and Monitoring Board (IAMB). The practice will be to have the IAMB approve independent public accountants to audit the DFI and export sales of petroleum, petroleum products and natural gas in support of the objective of ensuring that the DFI is used in a transparent manner and that such export sales are made consistent with prevailing international market best practices.

Efforts continue to authenticate and make available the Iraqi state and regime-owned assets brought under control in Iraq by U.S. forces. On June 25, 2003, the United States provided three machines to authenticate the approximately $800 million in U.S. dollars that were found in Iraq. A total of $799,728,061.47 has been verified as legitimate and taken into account. Eight hundred and five individual $100 banknotes ($80,500) are awaiting further examination by the U.S. Secret Service. An additional $7,100,300 could not be authenticated because the notes were wet

and damaged. These notes were hand counted and still must be authenticated. The Department of Defense is coordinating with the U.S. Federal Reserve to exchange these damaged notes for quality notes that can be utilized.

An additional 1,100 gold-colored metal bars were recovered in Iraq. They are being secured in Iraq while a random sample is being brought to Kuwait to assay. Analysis of the initial sampling of ingots revealed they were comprised of approximately 64 percent copper and 34 percent zinc. Consultation with metallurgists indicates the bars analyzed to date are most likely melted-down shell casings. The total number of metal bars recovered is now 4,450. All the bars currently located at Camp Arifjan are being sent to Baghdad, where they most likely will be stored within one of the Ministry of Industry and Materials facilities until their final disposition is determined.

2. A list of the significant activities related to reconstruction in Iraq that the President anticipates initiating during the 90-day period beginning on the date the report is submitted to the Committees on Appropriations, including:

(A) Cost estimates for carrying out the proposed activities.

(B) The source of the funds that will be used to pay such costs.

The Administrator of the Coalition Provisional Authority has the challenging task of managing the recovery of Iraq not only from war but also from 30 years of mismanagement and systematic oppression by the former regime. The Administrator is developing a strategic plan for reconstructing Iraq and is coordinating and developing numerous proposed projects through the CPA organization that he has established and continues to build. The CPA includes representatives from Coalition partners and all U.S. Government Federal agencies involved in the in-theater operations. During the next 90 days, the CPA will continue to focus on activities that include the following. A more detailed table is attached.

Continuing to improve relief and recovery activities begun in the first phase of reconstruction in Iraq. These include the near-term priorities of providing relief (food, health services) and reestablishing critical services (power, water, sanitation) for the Iraqi people. The CPA will continue to pay civil servants and pensioners; to provide further improvements in the water, sanitation, electricity, communications, medical and health, education, justice, police, prison and firefighting services; to continue repairs to the transportation services including roads, railroads, and airports; and to continue reconstruction of the oil infrastructure and preservation of oil distribution capability so oil proceeds can be used to finance critical requirements of the Iraqi people.

Restoring economic activity. The CPA will continue to execute the $100 million Construction Program, the Division/Brigade Commander and Regional Director Emergency Response Programs, salary and pension payments programs, and other critical reconstruction projects. High priority efforts are underway to prepare facilities to recruit, equip, sustain, and train the New Iraqi Army. Also, on July 15, 2003, the CPA will initiate monthly stipend payments to former members of the Iraqi Army. The CPA will also complete coordination and vetting of the national police plan mentioned earlier in this report. Coordinated execution of the recruiting, training, and employment of facilities security guards will also continue as a high priority. The CPA has formally reestablished the Central Bank of Iraq and will continue to establish additional branches of the Rafidain and Rasheed banks. The Administrator has made the Central Bank independent of the Ministry of Finance.

Expanding security. One of the CPA's major initiatives is to establish a New Iraqi Army that will help provide for the military defense of the country and, as units become operational, will assume military security duties now being performed by Coalition forces. The old Iraqi military forces disintegrated with the collapse of organized military resistance; virtually all installations and equipments that were not destroyed in the fighting were looted or stolen. The CPA formally disbanded the former Iraqi military and security services and is currently working on the creation of a New Iraqi Army. The current plan is to build a force of about 40,000 members (roughly 3 divisions) over 2 years as the nucleus of the national armed forces of the new Iraq. The first battalion will begin training this month. A U.S. company will conduct the day-to-day training under the supervision of a coalition military assistance training team, which will be commanded by a U.S. major general and will include officers from the United Kingdom, Spain, and other coalition countries. This team is leading the effort, including finalizing recruiting, vetting, and training activities. Former Iraqi military personnel are also being hired as police, security guards, and workers to support engineering and construction activities, and some

are being hired in the private sector. During an interim period, and subject to a decision by the future Iraqi government, the CPA will provide monthly stipends to most former career military personnel. These stipends will be paid from Iraqi funds. Former members of the Special Republican Guard and the intelligence and internal security services will not be eligible for these payments.

3. Updated strategies, if changes are proposed regarding matters included in the reports required under subsection (a).

The strategy to achieve U.S. policy goals in Iraq continues to focus on a coordinated interagency effort in the United States and on the ground in Iraq that is integrated with Coalition and other international efforts. In Iraq, the CPA is the focal point for interagency and international coordination to determine requirements for reconstruction and to oversee resulting activities.

COALITION PROVISIONAL AUTHORITY. The duties and responsibilities of the Administrator of the CPA described in section 1 of the initial report have not changed. Since that report, the Administrator has continued to build up the CPA organization and hone its structure and responsibilities (the latest CPA organization chart is attached). In addition to those mentioned above, CPA has established and promulgated regulations for two major initiatives, the Program Review Board and the Council for International Coordination.

The Program Review Board (PRB) was established on June 15, 2003, and is responsible for recommending expenditures of resources from the Development Fund for Iraq and other resources such as seized and vested Iraqi state or regime funds and U.S. appropriated funds. In making its recommendations, the PRB is responsible for reviewing all the identified requirements, prioritizing these requirements, and integrating the prioritized requirements into an overall funding plan. The PRB reports directly to the Administrator of the CPA. The Board is comprised of voting and non-voting members. Voting members include the Chairman (appointed by the Administrator of the CPA), the heads of specific CPA directorates (Economic Policy, Civil Affairs Policy, Agency for International Development Iraq mission, Operations, and Security) as well as authorized representatives of the Commander of Coalition Forces, Iraqi Ministry of Finance, United Kingdom, Australia, and the Chairman of the Council for International Coordination. Non-voting members include the CPA Comptroller as well as representatives from the U.S. Office of the Secretary of Defense, the International Monetary Fund, the World Bank, and the UN Special Representative of the Secretary General for Iraq.

The Council for International Coordination (CIC) was established on June 17, 2003 as an organization to work on behalf of the CPA to support, encourage, and facilitate international participation in the relief, recovery and development efforts in Iraq. The responsibilities of the CIC (referred to as the International Coordination Council in the initial report pursuant to Section 1506 of the Emergency Wartime Supplemental Appropriations Act, 2003) include coordinating international assistance from states and international and non-governmental organizations and making recommendations to the PRB on international assistance efforts in Iraq; and identifying international expertise—as well as recommendations for using this expertise—to the Administrator. The Council is not responsible for security matters such as the establishment of Iraqi police capacity or the New Iraqi Army. The CIC reports directly to the CPA Administrator and is comprised of representatives from coalition members and other countries that support CPA goals and possess expertise or other resources that will assist in furthering the purposes of the Council. The current Chairman of the CIC is Former Deputy Prime Minister Marek Belka of Poland.

INTERNATIONAL MILITARY CONTRIBUTIONS AND PARTICIPATION. Section 2 of the initial Section 1506 report described the roles and responsibilities of foreign governments and non-governmental organizations in post-conflict Iraq. It also detailed some of the major military and humanitarian contributions that countries were providing. Since the initial report, coalition military forces have continued to plan, coordinate, and execute the deployment of international military forces into Iraq. Multinational divisions under the lead of the United Kingdom and Poland are being established at present. Numerous countries, including Spain, Italy, the Netherlands, Slovakia, Denmark, Ukraine, Hungary, Honduras, El Salvador, and the Dominican Republic, have offered to send forces to help populate these divisions. Numerous countries are considering making force contributions, but the types of units and numbers of personnel are matters that remain to be worked out. Others have provided liaison officers to the Coalition military forces in Iraq. The international humanitarian, financial, or other contributions to post-conflict Iraq are discussed in Section 4 of this report.

U.S. INTERAGENCY AND INTERNATIONAL COORDINATION. Section 3 of the initial Section 1506 report described the strategy for coordinating post-conflict activities in Iraq among the U.S. Government, foreign governments and international organizations. The strategy to achieve U.S. policy goals in Iraq continues to focus on a coordinated interagency effort in the United States and on the ground in Iraq that is integrated with Coalition and other international efforts. In the United States, department and agency representatives coordinate daily on Iraq issues. There is close coordination among the Department of State, the Department of Defense, including the Joint Staff, the National Security Council staff, the Department of the Treasury, the Department of Justice, USAID, the Central Intelligence Agency, OMB, and the Coalition Provisional Authority. In addition, the DoD leadership is establishing an office to give greater capacity for the CPA to reach back to Washington for some assistance or capability that it needs in country.

In Iraq, the CPA is the focal point for interagency and international coordination to determine requirements for reconstruction and oversee resulting activities. The CPA staff is entirely interagency in character with representatives from the Departments of State, Treasury, Justice and Defense, and at least 13 other executive branch agencies providing support. The relationship between the CPA and non-U.S. Coalition governments on assistance issues is handled through the Council for International Cooperation. As discussed previously, this Council is the principal vehicle to coordinate coalition assistance support to the CPA. There are numerous embedded Coalition personnel in the CPA staff. The Deputy Director for Security Affairs is Spanish, for example, and there are a number of British, Canadian, Australian, and other personnel serving on the CPA staff.

One additional and extremely important change since the initial Section 1506 report is the level of coordination between the CPA and Coalition Joint Task Force 7 (CJTF-7), the military force in Iraq. The CPA and the headquarters of CJTF-7 are now co-located in Baghdad. This proximity is critical for daily interactions and coordination on security issues. There are also a number of military liaisons on the CPA staff. This high level of civil-military coordination will have a significant positive impact on coalition efforts to stabilize the country and improve the quality of peoples' lives in Iraq.

4. An updated list of the financial pledges and contributions made by foreign governments or international organizations to fund activities related to humanitarian, governance, and reconstruction assistance in Iraq.

The United Nations, other international institutions, the United States, and other leading donors continue to urge all nations to contribute to fulfill the needs of the Iraqi people in any way they can. This has garnered a strong response from the international community, with over 70 countries coming forward to offer either cash or in-kind assistance for humanitarian, stabilization or reconstruction efforts. At the time of the initial Section 1506 report, offers of cash and in-kind assistance from the international community exceeded $1.9 billion. About $790 million of that amount was in response to a Flash Appeal for $2.2 billion made by the United Nations in March 2003 to meet urgent humanitarian requirements in Iraq. The remaining $1.1 billion in assistance had been offered outside of the March Flash Appeal.

On June 24, representatives of 52 donor states, the CPA, UN agencies and the international financial institutions (IFIs) gathered in New York for the UN-hosted "Technical Consultations on Reconstruction Needs for Iraq." The meeting was the first major international meeting following the liberation of Iraq to focus on how the global community—governments, IFIs and the UN—can help Iraqis rebuild their country. The consultations, which included strong lraqi participation with the CPA delegation, demonstrated international support for Iraq's democratic and economic transformation, helped reconnect Iraq to the world community, and launched the process for an international donors' conference. Attendees agreed to convene a donors' pledging conference in October, to complete a needs assessment prior to that, and to create a steering group of the US, European Union, Japan and the United Arab Emirates to work with the UN, World Bank and IMF in organizing the conference. They also agreed to form a liaison group of a larger group of donor countries that are interested in contributing to the rebuilding of Iraq.

As of June 28, 2003, contributions have increased by $400 million to $2.3 billion in total offers of assistance. Of that amount, $2.0 billion in humanitarian assistance has been offered/donated in response to the March UN Flash Appeal, meeting 90 percent of the total $2.2 billion Appeal. On June 23, 2003, the United Nations

issued another flash appeal for an additional $259 million in immediate humanitarian assistance, bringing the total appeal for the Iraqi people to $2.459 billion.

As anticipated, the passage of UNSCR 1483 provided an important international signal that fostered more contributions from both public and private donors. Since the initial Section 1506 report submitted in early June, there have been both increases in the total contributions and shifts in the patterns of contributions. The most notable change is the increase in contributions from private sources, non-governmental organizations, and international organizations. These contributions now total over $1.1 billion in assistance, which is primarily within the UN appeal. For bilateral donors there have been increases as well. In all, 29 countries have made pledges or contributions within the UN appeal, and additional countries have made pledges or contributions outside of the UN appeal.

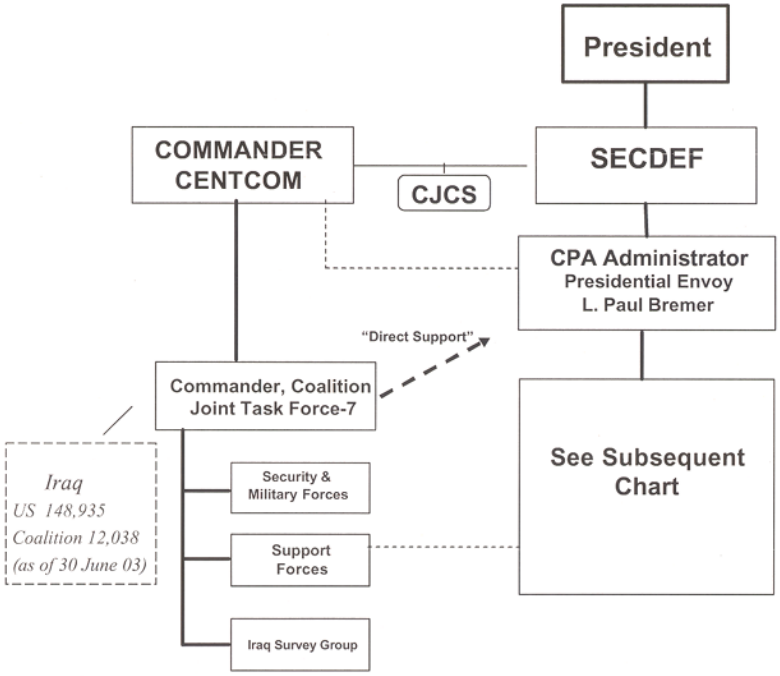
The initial report included examples of the international pledges and contributions. The following are the top 10 public bilateral pledges and contributions (plus the European Commission) to date (June 28, 2003):

Country/Organization	(Dollars in Millions) Pledge/Contribution
United States	[1] $565.3
United Kingdom	$177.1
Japan	$101.8
Australia	$60.5
United Arab Emirates	$47.6
Canada	$41.2
Saudi Arabia	$36.6
Spain	$32.3
Kuwait	$27.5
The European Commission	$26.3
Italy	$22.4

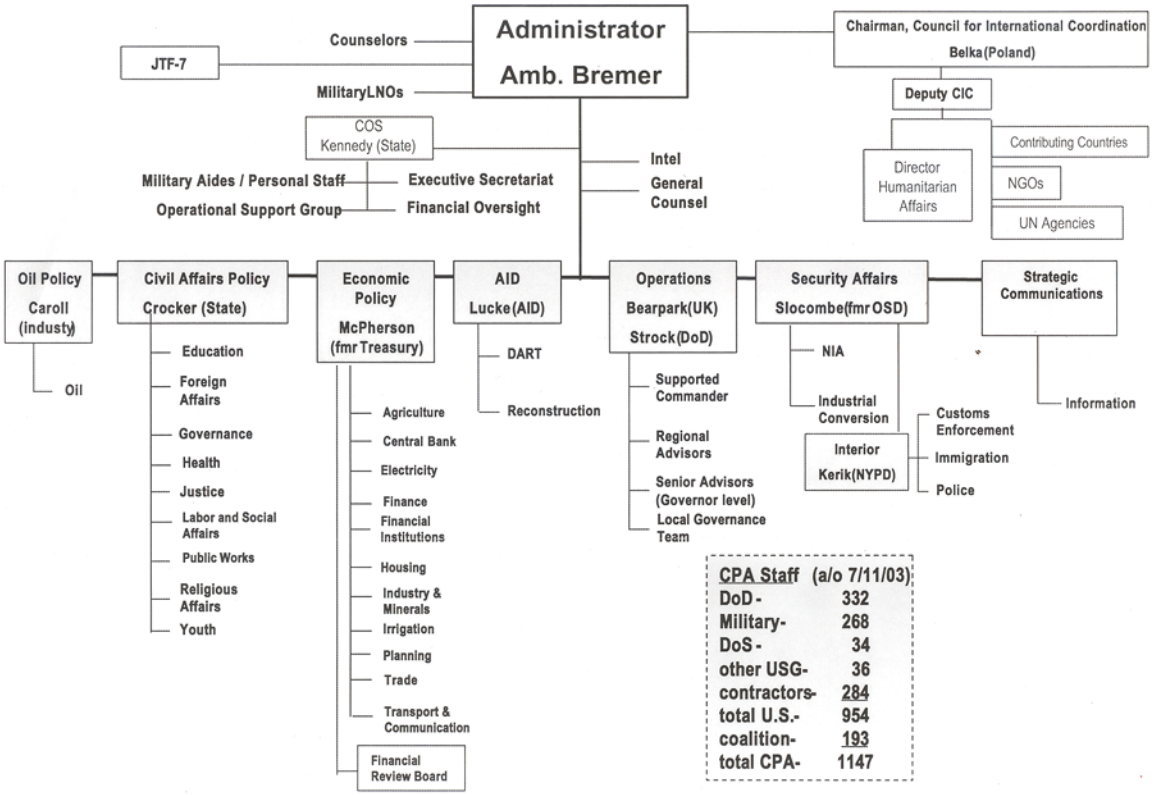
[1] Humanitarian assistance pledge

Over the course of the summer, new offers of humanitarian assistance will begin to ebb as the emphasis shifts away from strictly humanitarian assistance to medium to longer-term development. Critical to that evolution will be more sophisticated needs assessments prepared by the United Nations and the World Bank, with significant input from the Coalition Provisional Authority. Specifically, the CPA will be working over the next several months to develop an operating budget for Iraq that will identify funding gaps requiring international support. That guidance will be critical to the conference for donors scheduled for the fall of 2003. Usually there is a surge in contributions following scheduled conferences for donors.

Coalition Provisional Authority Organization



COALITION PROVISIONAL AUTHORITY



CPA Staff	(a/o 7/11/03)
DoD -	332
Military-	268
DoS -	34
other USG-	36
contractors-	284
total U.S.-	954
coalition-	193
total CPA-	1147

IRAQ RELIEF & RECONSTRUCTION FUNDING

Balances	Vested	Seized	Development Fund for Iraq	APPROPRIATED ASSETS: Iraq Relief and Reconstruction Fund	Non-IRRF Accounts (net of IRRF reimbursements)	Iraq Freedom Fund*	Natural Resources Risk Remed. Fund**	TOTAL
Beginning Balance	1,749.1	799.7	1,071.0	2,475.0	529.2	599.0	502.5	7,725.4
Amounts Apport/Auth	(564.0)	(184.5)	0.0	(954.1)	(529.2)	(206.4)	(252.0)	(2,690.2)
-- Department of Defense	(564.0)	(184.5)	0.0	0.0	0.0	(206.4)	(252.0)	
-- Department of State	0.0	0.0	0.0	0.0	(66.4)	0.0	0.0	
-- USAID	0.0	0.0	0.0	(742.1)	(672.5)	0.0	0.0	
-- Reimbursement (USAID)***	0.0	0.0	0.0	(212.0)	212.0	0.0	0.0	
-- Department of Treasury	0.0	0.0	0.0	0.0	(2.3)	0.0	0.0	
Balance after Current Activities	1,185.1	615.2	1,071.0	1,520.9	0.0	392.6	250.5	5,035.3
Anticipated Activities	(646.5)	(417.4)	(210.0)	(19.3)	0.0	(392.6)	(250.5)	(1,936.3)
-- Department of Defense (est.)	(646.5)	(417.4)	(210.0)	0.0	0.0	(392.6)	(250.5)	
-- Department of State (est.)	0.0	0.0	0.0	(13.3)****	0.0	0.0	0.0	
-- USAID (est.)	0.0	0.0	0.0	****	0.0	0.0	0.0	
-- Department of Treasury (est.)	0.0	0.0	0.0	(3.8)	0.0	0.0	0.0	
-- Reimbursement	0.0	0.0	0.0	(2.3)	0.0	0.0	0.0	
Balance after Anticipated Activities	538.6	197.8	861.0	1,501.6	0.0	0.0	0.0	3,099.0

NOTES:

* $15.7 billion was appropriated to the Iraqi Freedom Fund. DOD has designated $599 million for support to CPA's headquarters activities.

** Beginning Balance includes $13.218 million from the Defense Cooperation Account

*** -- There was $672.5 million in USAID non-IRRF spending in Iraq; $212 million was reimbursed from the IRRF. A double-entry is included to avoid double-counting. Other amounts were reimbursed directly by appropriation account.

**** -- Budget estimates for additional reconstruction activities, police training, and a response to the UN appeal are still under discussion.

[The Washington Times—Monday, July 28, 2003]

ROOTS OF HOPE IN A REALM OF FEAR

[Paul Wolfowitz]

Behind the police academy in Baghdad stands the forked trunk of a dead tree, unusual for the fact that on each branch the bark is permanently marked by two sets of ropes—one high enough to tie up a man, the other, a woman. Near the tree is a row of small cells where special prisoners were held.

Our guide, the newly appointed Sunni superintendent of the academy (who had spent a year in jail for having made a disparaging comment about Saddarn Hussein to his best friend) told us of unspeakable things that once happened to men and women tied to that tree and held in those cells. Beyond the torture tree, a small gate leads to the Olympic Committee Headquarters, run by Uday Hussein, who would often slip through the back gate at night to torture and abuse prisoners.

Traveling throughout Iraq last week, I heard many more accounts of unspeakable brutality—on a scale unimaginable for Americans. While we were in the north, one commander told us workers had temporarily stopped the excavation of a newly discovered mass grave-site, after unearthing the remains of 80 women and children—some still with little dresses and toys.

In the south, we met other remnants of the regime's horrific brutality, the Marsh Arabs, for whom liberation came just in time to save a fragment of this ancient civilization. But for the Marsh Arabs, the marshes are no more. Where there was once a lush landscape of productive, freshwater marshes, there is now a vast, nearly lifeless void. The children there greeted us with loud applause and cheers of "Salaam Bush" and "Down with Saddam." Their first request was not for candy or toys. It was, instead, a single word: "Water?"

One of my strongest impressions is that fear of the old regime is still pervasive. A smothering blanket of apprehension and dread woven by 35 years of repression—where even the smallest mistake could bring torture or death—won't be cast off in a few weeks' time. Iraqis are understandably cautious. Until they are convinced that every remnant of Hussein's old regime is removed, and until a long and ghastly part of their history is overcome, that fear will remain. That history of atrocities and the punishment of those responsible are directly linked to our success in helping the Iraqi people build a free, secure and democratic future.

What happened to Uday and Qusay Hussein last week is essential to the process of building that future. Their demise is an important step in making Iraqis feel more secure that the Baathist tyranny will never return, in restoring order and in giving freedom a chance. Even in Baghdad, far from the Shi'a and Kurdish areas that we associate with Hussein's genocidal murders, enthusiastic and prolonged celebrations over the news of their deaths erupted almost at once—suggesting something else I observed: Hussein and his sons were equal-opportunity oppressors.

It was a significant step forward to get Nos. 2 and 3 on our most-wanted list of regime criminals. That same day we captured the commander of the Special Republican Guard. But we've learned in our days on the ground that the roots of that regime go deep—burrowing into precincts and neighborhoods, like a huge gang of organized criminals. So it is the coalition's intensified focus on mid-level Baathists that we think will yield even greater results in apprehending the contract killers and deadenders who now target our soldiers and our success. Recently captured functionaries have revealed new and helpful information, and we are working to encourage this trend.

Even though the enemy targets our success, we will win the peace. But we won't win it alone. We don't need American troops to guard every mile of electrical cable. The real center of gravity will come from the Iraqi people themselves—they know who and where the criminals are. And they have the most at stake—their future.

While Iraqis may remain in the grip of fear, our troops, our coalition, allies and the new Iraqi national and local Iraqi councils are making significant progress in lessening its iron hold. When inevitable challenges and controversies arise, we should remember that most of the people of Iraq are deeply grateful for what our incredibly brave American and coalition forces have done to liberate them from Hussein's republic of fear.

When we've convinced Iraqis that we mean to stay until the old regime is crushed and its criminals are punished—and that we are equally determined to give their country back to them—they will know they can truly begin to build a government and society of, by and for the Iraqi people.

In many ways, the people of Iraq are like prisoners who endured years of solitary confinement—without light, without peace, without much knowledge of the outside

world. They have just emerged into the bright light of hope and fresh air of freedom. It may take a while for them to adjust to this new landscape free of torture trees.

[The Washington Post—Monday, July 20, 2003]

GETTING TO KNOW THE IRAQIS

(Jim Hoagland)

AL TURABAH, lraq.—Lionized by conservatives and denounced by liberals as the architect of the second Gulf War, Paul Wolfowitz sits cross-legged in the blowing dust of a hall made of reeds and perspires visibly as a tribal sheik pleads for support. Wolfowitz's blue blazer and red tie add to his discomfort; but the U.S. deputy defense secretary insists on showing respect to a people he has almost certainly helped save from extinction.

Watching him in the fiery 115-degree heat and the blinding glare of a parched wasteland that stretches far beyond the horizon, you know that there is nowhere else in the world Wolfowitz would rather be.

We have flown by helicopter 100 miles northeast of Basrah and descended into a man-made inferno on the eastern edge of what once were Iraq's lush and productive marsh lands.

Today, that territory is a salinated desert, the product of Saddam Hussein's wrath against the half-million people known as Marsh Arabs.

For more than a decade, the Iraqi tyrant drained and diverted water from their lands. His genocidal campaign here was even more devastating than his serial wars on the Kurds in northern Iraq. An estimated 300,000 Marsh Arabs perished. Forcibly resettled in what is as close to Hell as I ever want to experience, the survivors here have re-created a traditional gathering hall that Wolfowitz is visiting.

On this five-day fact-finding trip that began in Baghdad Thursday, Wolfowitz has made a point of putting Hussein's victims rather than himself in the spotlight. Also on his schedule is a visit to a mass grave in the Shiite heartland and a stop in Kurdistan. At each station, he talks repeatedly—his critics might say obsessively—about the Baathist regime's crimes against humanity.

Isn't he concerned, I ask later, that he seems to be dwelling on the past when Iraq needs to secure its future? Is he seeking to justify a regime change he pursued relentlessly for two decades by raking up deeds that are monstrous but overtaken by the vast new problems of liberated Iraq?

For once, Wolfowitz does not pause to reflect judiciously before responding to a question. Trained as a professor of international relations, he has become passionate about the need for and possibilities of change in Iraq and the Arab world at large. That passion today drives much of the Bush administration's policy in the greater Middle East,

"It is important to offer firsthand testimony about things I have only read in books until now," the 59-year-old defense intellectual says.

"That part of history I am observing—the destruction, the fear and trembling that the old regime induced in its subjects—is still alive in the minds of many Iraqis. We have to be aware that things could go backwards here if we do not put to rest that part of their history?

Wolfowitz continues: "I plead guilty to optimism—but not excessive optimism—that these are remarkable people who can achieve a change in their lives that will also mean much for the whole region, even if there is more unease than I would have hoped to see at this stage?

This grueling trip has confirmed rather than shaken the long-distance vision of Iraq that Wolfowitz began to develop in 1979 when, as a junior policy analyst at the Pentagon, he identified Iraq as a regional challenge for the United States. This was, he recalls, "when others pooh-poohed" the idea.

"You can be elated that these people are free but still remember how much they suffered and how much of that suffering was unnecessarily prolonged," Wolfowitz says, referring indirectly to the premature ending of the Gulf war in 1991 by the first Bush administration.

"At least there was still a Marsh Arab civilization capable of being preserved. They would not have lasted another 12 years."

Critics who cast him as the leader of a neo-conservative, pro-Israeli cabal that has seized control of the administration's Middle East policy deride him as Wolfowitz of Arabia. But such critics ignore Wolfowitz's deep intellectual interest in Arab society and his firm belief that it can reform itself, especially if given encouragement from outside.

In his spare time, Wolfowitz reads Arab writers such as Egypt's Alifa Rifaat, whose collection of short stories, "Distant View of a Minaret," graphically portrays the frustration of women in purdah and other restrictions they face.

"It is important for Iraqis to show what Arabs can do when they live in freedom," he says to the local leaders gathered here. He has arranged to meet them in the company of Britain's Baroness Emma Nicholson, the redoubtable human rights campaigner who has championed the Marsh Arabs in the European Parliament.

"What we are seeing" Wolfowitz tells me later, "eliminates any moral doubt about whether this was a war against Iraq, or a war for Iraq. This was a war for Iraq."

[From the New York Times—Sunday, July 20, 2003]

SOUTHERN IRAQ

WOLFOWITZ VISITS MASS GRAVEYARD OF HUSSEIN'S VICTIMS AND PROMISES HELP IN HUNTING KILLERS

(By Eric Schmitt)

HILLA, lraq, July 19.—For a solid month, nine trucks a day pulled up to a field off a dirt road here and unloaded their human cargo. Men, women and children were herded into a freshly dug pit where Saddam Hussein's henchmen gunned them down and buried them, sometimes while they were still alive.

Now, 12 years later, the killing field of Hilla is just one of 62 mass graveyards that American and allied investigators have discovered in southern Iraq since the end of the war.

About 3,000 bodies have been unearthed here, but townspeople say thousands more probably decomposed in the shallow water table over the last decade. Relatives have exhumed about 1,000 sets of the remains. The rest are wrapped in white plastic bags and spread out over the neatly leveled soil, in silent testimony to the horrors of Mr. Hussein's three-decade rule.

"Obviously, for those people, liberation didn't come in time," Deputy Defense Secretary Paul D. Wolfowitz said today, visiting here as part of a five-day trip throughout Iraq.

No one knows for sure how many people died in Mr. Hussein's purges aimed at terrorizing and suppressing political opponents and religious rivals, including the Shiite Muslim majority in this part of lraq. American and Iraqi officials here today said the total probably ran into the hundreds of thousands.

Mr. Wolfowitz called those who executed the villagers here "monsters," and promised a group of local Iraqis who joined him today that the occupying forces would lend whatever aid necessary to help track down the killers. A team of British forensic experts was just here, and there are plans to help start an Iraqi bureau of missing persons.

The United States marines who occupy this part of south-central Iraq have already started case files on many of the killings.

"I look at this like an organized-crime case," said Maj. Al Schmidt, a Marine reservist in charge of mass-grave survey work, who is an F.B.I. agent in civilian life. "Saddam Hussein is the head, and these are all the tentacles."

Local lraqis, while grateful to the Americans for driving Mr. Hussein from power, nonetheless said they felt that the United States could be doing more to hunt down the killers. "We want human rights for the Iraqi people," said Dr. Rafid al-Hussuni, the Hillah grave-site coordinator.

The Iraqis said American forces had squandered opportunities to capture suspected executioners. The military recently arrested Muhammad Juwad Anayfas, a tribal sheik who officials said owned this field and took part in the killings. But his American jailers mistakenly set him free in a paperwork debacle that dealt the military a major embarrassment.

"We will get him," vowed Lt. Gen. James T. Conway, commander of the First Marine Expeditionary Force.

Traveling through this town, as well as the holy cities of Karbala and Najaf, Mr. Wolfowitz today heard from Iraqis as well as General Conway and his officers, that the region was relatively free of the security problems and deadly attacks against Americans in and around Baghdad.

ln Baghdad today, an American serviceman was killed before dawn while guarding a bank on the out-skirts. Four other G.I.'s were wounded In Baghdad when their vehicle was struck by a homemade bomb.

The soldier who was killed was assigned to the army's First Armored Division. He was attacked at 1:30 a.m, with small-arms fire and a rocket-propelled grenade

while guarding the Rasheed Bank, said Specialist Brian Sharkey, a military spokesman. The soldier, whose identity was not released, was taken to a military aid station, where he died.

The country's new Governing Council, after six days in session, failed to elect a president, the Associated Press reported. Instead, leadership will be shared by three of the 25 members, the report said.

Mr. Wolfowitz was greeted enthusiastically by people in the town, where the marines say they have worked closely with civic and religious leaders in what American military officials call the Shiite heartland. There are still fuel, electricity and water shortages, but the main streets of Karbala and Najaf bustled with activity.

In Najaf, Mr. Wolfowltz joined two dozen members of a fledgling town council at one of their meetings, and gave an impromptu lesson in American-style civics.

"I don't think you can have a free country without a free media," he said. "I'd be very, very careful about anything that prevents people from expressing their views."

It was clear that after only 48 hours in Iraq, Mr. Wolfowitz was beginning to grow weary of the laundry list, and perhaps the tone, of requests for services and aid from lraqis officials he has met.

"The American people are committed to a successful lraq," he said when asked if United States troops would pull out if someone other than President Bush was elected in November 2004, "so long as they believe you are committed to success."

[The Wall Street Journal—Monday, July 28, 2003]

"THIS WAS A GOOD THING TO DO"

(By Paul A. Gigot)

NAJAF, Iraq.—Toppling a statue is easier than killing a dictator. Not the man himself, but the idea of his despotism, the legacy of his torture and the fear of his return. This kind of reconstruction takes time. Just ask the 20-some members of the new city council in this holy city of Shiite Islam. Their chairs are arrayed in a circle to hear from Paul Wolfowitz, the deputy secretary of defense, who invites questions. The first man to speak wants to know two things: There's a U.S. election next year, and if President Bush loses will the Americans go home? And second, are you secretly holding Saddam Hussein in custody as a way to intimidate us with the fear that he might return? Mr. Wolfowitz replies no to both points, with more conviction on the second than the first. But the question reveals the complicated anxiety of the post-Saddam Iraqi mind.

Most reporting from Iraq suggests that the U.S. "occupation" isn't welcome here. But following Mr. Wolfowitz around the country I found precisely the opposite to be true. The majority aren't worried that we'll stay too long; they're petrified we'll leave too soon. Traumatized by 35 years of Saddam's terror, they fear we'll lose our nerve as casualties mount and leave them once again to the Baath Party's merciless revenge.

That is certainly true in Najaf, which the press predicted in April would be the center of a pro-Iranian Shiite revolt. Only a week ago Sunday, Washington Post reporter Pamela Constable made Section A with a story titled "Rumors Spark Iraqi Protests As Pentagon Official Stops By." Interesting, if true.

But Ms. Constable hung her tale on the rant of a single Shiite cleric who wasn't chosen for the Najaf city council. Even granting that her details were accurate—there was a protest by this Shiite faction, though not when Mr. Wolfowitz was around—the story still gave a false impression of overall life in Najaf. On the same day, I saw Mr. Wolfowitz's caravan welcomed here and in nearby Karbala with waves and shouts of "Thank you, Bush."

The new Najaf council represents the city's ethnic mosaic, and its chairman is a Shiite cleric. Things improved dramatically once the Marines deposed a corrupt mayor who'd been installed by the CIA. Those same Marines have rebuilt schools and fired 80% of the police force. The city is now largely attack-free and Marines patrol without heavy armor and often without flak jackets. The entire south-central region is calm enough that the Marines will be turning over duty to Polish and Italian troops.

This is the larger story I saw in Iraq, the slow rebuilding and political progress that is occurring even amid the daily guerrilla attacks in Baghdad and the Sunni north. Admittedly we were in, or near, the Wolfowitz bubble. But reporters elsewhere are also in a bubble, one created by the inevitable limits of travel, sourcing and access. In five days we visited eight cities, and I spoke to hundreds of soldiers and Iraqis.

The Bush administration has made mistakes here since Saddam's statue fell on April 9. President Bush declared the war over much too soon, leaving Americans unprepared for the Baathist guerrilla campaign. (The Pentagon had to fight to get the word "major" inserted before "combat operations in Iraq have ended" in that famous May 1 "Mission Accomplished" speech.) But U.S. leaders, civilian and military, are learning from mistakes and making tangible progress.

One error was underestimating Saddam's damage, both physical and psychic. The degradation of this oil-rich country is astonishing to behold. Like the Soviets, the dictator put more than a third of his GDP into his military—and his own palaces. "The scale of military infrastructure here is staggering," says Maj. Gen. David Petraeus of the 101st Airborne. His troops found one new Iraqi base that is large enough to hold his entire 18,500-man division.

Everything else looks like it hasn't been replaced in at least 30 years. The General Electric turbine at one power plant hails from 1965, the boiler at one factory from 1952. Textile looms are vintage 1930s. Peter McPherson, the top U.S. economic adviser here, estimates that rebuilding infrastructure will cost $150 billion over 10 years.

All of this makes the reconstruction effort vulnerable to even small acts of sabotage. The night before we visited Basra, someone had blown up electrical transmission pylons, shutting down power to much of the city. That in turn triggered long gas lines on the mere rumor that the pumps wouldn't work.

Rebuilding all of this will take longer than anyone thought.

Iraq's mental scars are even deeper. Nearly every Iraqi can tell a story about some Baath Party depredation. The dean of the new police academy in Baghdad spent a year in jail because his best friend turned him in when he'd said privately that "Saddam is no good." A "torture tree" behind that same academy contains the eerie indentations from rope marks where victims were tied. The new governor of Basra, a judge, was jailed for refusing to ignore corruption. Basra's white-and-blue secret police headquarters is called "the white lion," because Iraqis say it ate everyone who went inside.

"You have to understand it was a Stalinist state," says Iaian Pickard, one of the Brits helping to run Basra. "The structure of civic life has collapsed. It was run by the Baath Party and it simply went away. We're having to rebuild it from scratch."

This legacy is why the early U.S. failure to purge all ranking Baathists was a nearly fatal blunder. Officials at CIA and the State Department had advocated a strategy of political decapitation, purging only those closest to Saddam. State's Robin Raphel had even called de-Baathification "fascistic," a macabre irony to Iraqis who had to endure genuine fascism.

Muhyi AlKateeb is a slim, elegant Iraqi-American who fled the Iraqi foreign service in 1979 when Saddam took total control. (In the American way, he then bought a gas station in Northern Virginia.) But when he returned in May to rebuild the Foreign Ministry, "I saw all of the Baathists sitting in front of me. I couldn't stay if they did." He protested to U.S. officials, who only changed course after L. Paul Bremer arrived as the new administrator.

Mr. AlKateeb has since helped to purge the Foreign Ministry of 309 secret police members, and 151 Baathist diplomats. "It's an example of success," he says now, though he still believes "we are too nice. Iraqis have to see the agents of Saddam in handcuffs, on TV and humiliated, so people will know that Saddam really is gone." This is a theme one hears over and over: You Americans don't understand how ruthless the Baathists are. They'll fight to the death. You have to do the same, and let us help you do it.

Which brings up the other large American mistake: The failure to enlist Iraqi allies into the fight from the very start. Pentagon officials had wanted to do this for months, but they were trumped by the CIA, State and former Centcom chief Tommy Franks. The result has been too many GIs doing jobs they shouldn't have to do, such as guarding banks, and making easier targets for the Baathist-jihadi insurgency.

The new Centcom boss, Gen. John Abizaid, is now correcting that mistake by recruiting a 14,000-man Iraqi security force. He's helped by division commanders who are adapting their own tactics in order to win local support and eventually be able to turn power back over to Iraqis.

In Mosul in the north, Gen. Petraeus of the 101st Airborne runs the equivalent of a large Fortune 500 company. He's having to supply electricity, buy up the local wheat crop (everything here was bought by, or supplied by, Saddam's government), form a city council, as well as put down an insurgency. He's even run a Task Force Pothole to fix the local roads. It's no accident that an Iraqi turned the whereabouts of Uday and Qusay into the 101st Airborne. Like the Marines in Najaf, Gen. Petraeus's troops have made an effort to mingle with the population and develop intelligence sources.

In Kirkuk, Maj. Gen. Raymond Odierno's 4th Infantry Division has had similar success tapping Iraqi informers to map what he calls the "network of mid-level Baathists" who are running the insurgency. Late last week they raided a house near Tikrit after an Iraqi tip and captured several Saddam loyalists, including at least five of his personal bodyguards. Some have been reluctant to talk, but Gen. Odierno observes that, "When you mention Guantanamo, they become a lot more compliant."

The U.S. media have focused on grumbling troops who want to go home, especially the 3rd Infantry Division near Baghdad. And having been in the region for some 260 days, the 3rd ID deserves a break. But among the troops I saw, morale remains remarkably high. To a soldier, they say the Iraqis want us here. They also explain their mission in a way that the American pundit class could stand to hear.

"I tell my troops every day that what we're doing is every bit as important as World War II," says one colonel, a brigade commander, in the 101st. "The chance to create a stable Iraq could help our security for the next 40 or 50 years." A one-star general in the same unit explains that his father served three tours in Vietnam and ultimately turned against that war. But what the 101st is doing "is a classic anti-insurgency campaign" to prevent something similar here.

These men are part of a younger Army officer corps that isn't traumatized by Vietnam or wedded to the Powell Doctrine. They understand what they are doing is vital to the success of the war on terror. They are candid in saying the hit-and-run attacks are likely to continue for months, but they are just as confident that they will inevitably break the Baathist network.

The struggle for Iraq will be difficult, but the coalition is winning. It has the support of most Iraqis, a creative, flexible military, and the resources to improve daily lives. The main question is whether America's politicians have the same patience and fortitude as its soldiers.

The one word I almost never heard in Iraq was "WMD." That isn't because the U.S. military doesn't want, or expect, to find it. The reason, I slowly began to understand, is that Iraqis and the Americans who are here don't think it matters all that much to their mission. The liberation of this country from Saddam's terror is justification enough for what they are doing, and the main chance now isn't refighting the case for war but making sure we win on the ground.

"So I see they're giving Bush a hard time about the WMD," volunteers a Marine colonel, at the breakfast mess in Hilla one morning. "They ought to come here and see what we do, and what Saddam did to these people. This was a good thing to do."

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OF PRISONS AND PALACES

NOTES FROM LIBERATED IRAQ.

(By Stephen F. Hayes)

Abu Gharib Prison, Iraq.—I may be the first person in history to have been happy to be inside Abu Gharib prison. The facility, just west of Baghdad, was the heart of Saddam Hussein's torture apparatus. On this day, however, the temperature had reached above 120 degrees, and the sun was relentless. The prison at least provided some shade.

I came as one of six reporters accompanying a small delegation led by Deputy Defense Secretary Paul Wolfowitz. We were halfway through a four-day tour of Iraq. With our base in Baghdad, we raced from city to village in a sweeping arc from the Shiite south to the Kurdish north. We returned most nights to the capital and slept in an outlying building on the grounds of one of Saddam Hussein's opulent palaces—also named Abu Gbarib.

The palace was built in 1999, as U.N. sanctions were bringing economic devastation to most of Iraq. The grounds extend for miles—it takes us 13 minutes to drive from the main palace to the exit—and feature several manmade lakes filled with water that looks artificially blue. Handrails lead down into the water from a patio overlooking the lakes. Outdoor showers are available in small stalls adjacent to the patio—or were. The palace today is without running water, a casualty of a stray American bomb. One building just down the road from the main palace was hit hard. There was intelligence that Uday Hussein had been hiding there, we're told—a report that at first sounds plausible but becomes less believable each time I hear it over the course of the trip. It seems every building damaged during the war was thought to have held Uday Hussein. But physical evidence of the war here is generally scarce.

Hanging from the ceiling in the foyer of the main palace is a massive chandelier, maybe 100 feet in diameter. The floors and most of the walls are marble. Most of the furnishings are gold or are painted to look like gold. One soldier calls the style "Saudi gaudy."

There could hardly he a greater contrast than with the prison of the same name. It sits surrounded by the vast and dry nothingness that is the terrain outside of Baghdad. The ground around the prison is littered with soda cans, plastic wrappings, pieces of paper, and razor wire.

The inside smells like fresh paint. American soldiers living and working here are repainting the walls of one wing. Although many coalition officials favored shutting the place down—the mere mention of its name can induce physical sickness among Iraqis—the country lacks another high-security detention center. So it's expected to operate for the next three years at least.

The soldiers have done a good job. But just down the hall from the wing they have fixed up are several stark reminders of the atrocities committed here. The two coalition officials guiding us through the facility take us first to one of its execution chambers. On the ceiling are two well-secured handles that look like the grips from a pommel horse. The rope is tied to these.

Twelve feet below, two large square holes have been cut into the cement floor. And in a basement below, there is a wide berth for the vehicles used to remove the bodies.

Bill Irvine is one of those in charge of the prison. He is a slight, balding man with a pink complexion. His sing-song Irish accent seems incompatible with his words. "One of the former guards that I interviewed in recent weeks told me that on one particular day there were as many as 66 persons executed in this chamber. They had refrigeration and cooling rooms for 80 bodies at a time. And they carried out the executions on a Wednesday and a Sunday—very regularly on both those days. It was very seldom that there were no executions here."

The assembly-line killing that took place within these walls accounts for a far lower death toll than the 300,000 estimated to lie in the mass graves now being dug up at scores of sites around the country. Still, "as many as 30,000 were executed here in this prison," Irvine explains. "There are reports—unsubstantiated reports—but there are reports of at least 100,000 people killed in this prison."

The killing continued as the regime was on its way to extinction. "Even three days before the prison closed," Irvine says, "I am told that there were executions here."

The prison closed on October 10, 2002. Saddam Hussein issued a decree freeing nearly all of the common criminals—some 70,000 from Abu Ghirab alone—and some of his political prisoners. There are many things that might explain postwar looting and security problems. This is one of them.

"Many of those prisoners were charged and imprisoned for very, very serious crimes," Irvine continues. "Especially in Baghdad, the military forces have been arresting people who were actually released here. So we believe that a high percentage of the people who were released are actually involved in criminality now in Baghdad." Many Iraqis who survived their sentences here have returned since their country was liberated on April 9.

As we walk down the hall towards the dining facility, now a makeshift sleeping room for hundreds of American soldiers, one Iraqi walking with us stops me and another American. We are not quite sure what he's doing with the group—perhaps he's a contractor or a former guard. He grabs the electrical wires hanging from the wall of one cell, applies them to his body, and shakes violently, as if being shocked.

The walls of the cafeteria are decorated with pictures and tributes to Saddam Hussein. Our interpreter translates: "All love and faith to our leader, Saddam Hussein." "Say yes, yes to leader Saddam Hussein." "There's no life without the sun, and no dignity without Saddam."

On one wall, accompanied by a 15-foot mural of Saddam wearing 1970s retro-porn sunglasses, is a mock prison identification card for Iraq.

Father: Saddam Hussein
Mother: Arab Nation
Title: Leader of Victory and Peace
Date of Birth: 17th of July
Type of Blood: Arab milk
Place of Birth: Under the Shade of a Palm Tree
Distinguishing Marks: The tattoo of sincerity
Profession: Knight of the Arab nation
Address: From the Gulf to the Ocean
Place of Birth: In the heart of every Arab citizen
Ideology: Socialist Bath Arab Party

Writer of this ID: The Arab nation

"The horror of this place and the kinds of things that went on here I think can help you understand why the fear of Saddam Hussein hasn't left this country, especially because people are convinced that he's still alive," said Wolfowitz after the tour.

Bill Irvine says plans are in place to make most of the prison a memorial. "It'll be a reminder for many, many years of what happened here."

One might expect a visit to Abu Ghirab would stir reflections on the most profound matters—the nature of evil, the existence of God. Instead, I could not shake words I'd read in the *Washington Post* of July 15, 2003, the day before I'd left for Iraq. Reporting on the likelihood of stepped-up attacks on coalition forces on July 17, a national holiday under the previous regime, Kevin Sullivan wrote: "Although Iraq's new Governing Council's first official action was to abolish Hussein-era holidays, July 17 still stands for Saddam in a country deeply unsure if the military occupation is better than his dictatorship."

A country deeply unsure if the military occupation is better than his dictatorship. Could this be true? What about the question put so well in a headline over a column by Michael Kelly in that same newspaper just weeks before his untimely death: "Who Would Choose Tyranny?" Could it be that Iraqis might actually prefer despotism to freedom, so long as the despot was one of their own?

Judging from dozens of interviews with Iraqis, U.S. soldiers, and representatives of humanitarian and aid groups over the course of our trip, the answer is no. Most Iraqis are overjoyed about their liberation. The American troops I spoke with, even those from units that have suffered postwar casualties, said they have received a warm welcome from their hosts. But most surprising were the strong words of praise for postwar Iraq from NGO leaders. If even some of what this delegation heard is true, the reconstruction of Iraq is going much better than reports in the American media suggest.

ln Najaf on July 19, Wolfowitz met with the new city council. In this Shiite holy city, as elsewhere throughout the country, Iraqis had a two-part message. "You have done tremendous things for Iraq," said Haydar al Mayalli, the interim governor. "You still have a heavy responsibility towards our country. You have commitments that must be filled to the Iraqi people. And we are grateful that you have opened the door to democracy and freedom."

A local sheikh spoke next. "By destroying the instruments of terrorism and the Baath party, the people of Najaf breathe in relief," he said. He listed infrastructure, electricity, water, and security as Najaf's most pressing needs, before reminding Wolfowitz of the stakes. "The world is watching you to see what you do."

Wolfowitz acknowledged the importance of the transition and complimented those on the council for their participation. "We know that the people of the south—particularly this city—have suffered more than others. For their memory, we have an obligation to succeed in the tasks you described. The great cities for Shia Islam are setting a model for democratic Iraq."

The council in Najaf had been in existence for just two weeks. Its 22 members were elected from a larger group assembled from leaders of the brand new professional associations and civic organizations that are springing up, alongside new political parties, unions, and religious groups. It is an encouraging first step.

Similar councils exist in most major cities in Iraq, including Basra, Karbala, Baghdad, Mosul, and Kirkuk. In Kirkuk, an oil-rich city in the north, coalition officials brought together a delegation of 300 local leaders representing each of the religious and ethnic groups in the city. That group then elected an interim council of 30 members, which in turn picked a mayor, a deputy mayor, and three assistant mayors. That was two months ago. Wolfowitz met with the council on July 21.

"I would like to express my thanks to you and George Bush for taking this courageous decision," said Kamal Kirkuki, a Kurdish assistant mayor, "even though some other nations objected and the United Nations did nothing to liberate us from this tyrant."

Here, too, Wolfowitz was greeted with a mix of gratitude and pleas for help. Asked Dr. Amed Nasser Azzo, a council member, "When is it possible to establish media in Iraq to compete with Arab satellite television that agitates for instability in Iraq?"

Earlier Monday, Wolfowitz met in Mosul with representatives of various nongovernmental and humanitarian organizations working in Iraq. Much of the meeting, which featured groups like the United Nations and Save the Children, was made near incomprehensible by a blizzard of acronyms. The comments I could understand were striking. One representative of the U.N. office of humanitarian assistance said, "We have gotten fantastic cooperation from the U.S. military's civil affairs

teams." An Iraqi man from Suleimaniya, now working for the Mines Action Group, offered similar praise, and so did an American, a recent Johns Hopkins graduate working for the Research Triangle Institute. Interestingly, not one of the dozen or so humanitarian workers in the room used the word "occupation." All of them referred to the intervention as "the liberation."

America's challenges in free Iraq are significant. Those of us traveling with Wolfowitz heard about them in detail. Power is intermittent and unpredictable. Water isn't yet available at prewar levels. Jobs are scarce. Conspiracy theories about American motives are rampant. And security on the streets of Iraq is woefully lacking.

But most of those problems are solvable. Meanwhile, most doomsday predictions haven't come true. Few oil fields were set on fire. Iraq's majority Shiite population has resisted meddling from Iran. The Shiites didn't commit revenge killings against the Sunnis. There is no move by the Kurds to secede. There was no humanitarian crisis. There was no mass starvation. The "Arab street" was quiet. And "friendly" Arab governments never fell.

The 12 years of containment between the two Gulf wars were costly for the Iraqis. Counting only the mass graves and the executions at Abu Gharib, several hundred thousand at least lost their lives while Saddam Hussein was "kept in his box."

"If you'd say, 'Go through another 12 years of containment,' after seeing what we saw," says Wolfowitz, "I mean, that's impossible to argue." He added, "Some people say war is intrinsically immoral. This one wasn't."

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF ENGINEERING SOCIETIES, PAUL J. KOSTEK, CHAIRMAN

IRAQ RECONSTRUCTION

The American Association of Engineering Societies (AAES), its 24 member societies and the over one million U.S. engineers it represents, wish to thank Chairman Lugar and Ranking Member Biden for the opportunity to submit testimony for the record on the topic of Reconstruction in Iraq.

The engineering community understands and believes the most pressing task in Iraq is to establish secure and stable conditions throughout the country, and we believe that the Coalition forces are well on their way to doing just that. Key to the establishment of secure and stable conditions is the reconstruction and building efforts to improve the country's infrastructure, which are currently underway. Since the President declared an end to major combat operations on May 1, 2003, building and reconstruction efforts have focused on critical areas of infrastructure that will each contribute to substantial improvements in the lives of the Iraqi people. They are water, sanitation, health, education, electricity, ports, airports, and local governance.

The U.S. engineering community believes that one of the most important actions to occur during the building and reconstruction process must be the engagement of the Iraqi people in all aspects of the process, especially the Iraqi engineering community. It is an accepted fact that the Coalition forces will be a strong presence in Iraq for years to come, but at the same time it is also understood that the Iraqi people will be responsible for their own community once the Coalition forces have decreased and withdrawn.

In conjunction with the World Federation of Engineering Organizations (WFEO), the U.S. Army Corps of Engineers and others, the U.S. engineering community has begun to work directly with the Iraqi engineering community during the building and reconstruction process. Through regular video conference calls, e-mail exchanges, meetings and the like, the U.S. engineering community has come together to help its colleagues in Iraq. Some examples of that assistance include providing technical journals and literature in an effort to update existing engineering skills and technology; providing volunteer U.S. engineers willing to travel to Iraq to help their colleagues; and providing contacts within the technical community for general assistance in all manner of issues. At this critical time, we appreciate the efforts made by the U.S. Army Corps of Engineers and other federal agencies to help facilitate our outreach to the Iraqi engineering community.

Our outreach to the Iraqi engineering community is an example of how the U.S. engineering community is working to create a sustainable world that provides a safe, secure, healthy life for all peoples. The U.S. engineering community is increasing its focus on sharing and disseminating information, knowledge and technology that provides access to minerals, materials, energy, water, food and public health while addressing basic human needs. Engineers must deliver solutions that are

technically viable, commercially feasible, and environmentally and socially sustainable.

The reconstruction of Iraq, and indeed the survival of our planet and its people requires the collaboration of all professions in both developed and developing countries to sustain future generations. The goal of improving the social and economic well being of all peoples in the developed and lesser-developed countries is a prerequisite for creating a stable, sustainable world. Although achieving this goal will require a broad coalition of well-crafted policies, it will only be realized through the application of engineering principles and a commitment to public/private partnerships involving professionals from all fields including the social sciences, engineering and medicine. It will also require collaboration for development, acceptance and dissemination of innovative solutions and better use of existing technologies.

Today's world is increasingly complex, and the need for U.S. assistance in building and reconstruction more common. The U.S. engineering community stands at the ready to provide any manner of assistance to help in the creation of a sustainable world.

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