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[Slides](#)

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On Iraq

Testimony as Delivered by Deputy Secretary of Defense Paul Wolfowitz, and Director, Office of Management and Budget, Joshua Bolten, and Acting Chief of Staff, U.S. Army, General John Keane , Tuesday, July 29, 2003.

SEN. LUGAR: (Strikes gavel.) This hearing of the Senate Foreign Relations Committee is called to order.

We are awaiting the completion of our witness panel, but in the interest of time, I'll give my opening statement, will call upon the distinguished ranking member to give his, and we know that our hearing may be interrupted by roll call votes on the energy bill that will be proceeding on the Senate floor. So we want to utilize each moment for our witnesses and for senators who will have questions of the witnesses. It's 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 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 -- and he is now approaching the podium, so I give this greeting personally to you -- 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've heard of many successes on the ground. But overall, the United States' mission in Iraq continues to hang in the balance. If we succeed in rebuilding Iraq, it will 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 can set back American interests for a generation, increasing anti- Americanism and multiplying the threats from tyrants and terrorists, and reducing our credibility.

Updated: 30 Jul
2003

Having visited Iraq four 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, 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, 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 prewar 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 could 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 bureaucratic delays in the decision-making 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 government, such as getting permission to spend money or enter into contracts." End of quote. Dr. Bolten, we will 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' 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 a short-term cost estimate from the administration, but few seem willing to offer the White House a true partnership in constructing a four or five-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 the 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 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 we can help you achieve American objectives in Iraq.

Now, let me say at the outset, before yielding to my colleague from Delaware, that I've 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, but 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 you have -- that have informed your views and that move, at least, along the lines of some suggestions that I have made, and I am sure the distinguished ranking member will make. The purpose of this hearing is not to cut off our witnesses at five 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, really, to hear of this message, which is very important from all of you.

I call now upon Senator Biden for his statement.

SEN. JOSEPH BIDEN (D-DE): Thank you very much, Mr. Chairman. And I, too, welcome our three distinguished witnesses. We're anxious to hear from them, and I'm glad to hear you say that, as usual, we want to hear from you, so don't truncate your statements. We're in need of information. We're in need -- I am, at least, in need of information and plans of the administration.

The -- I'll try not to repeat some of what the chairman said, but we heard from the Hamre -- Dr. Hamre and his colleagues last week. Both the committee as well as the Defense Department, I'm told, thought it was a solid report. But in my view, the most critical finding, and I quote, is, "Iraqis uniformly express the view that the window of opportunity for the CPA to turn things around in Iraq is closing rapidly." The report went on to say, and I quote, "the next three months are critical in turning around the security situation," end of quote.

Now, I personally think this job is doable, or I wouldn't 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's going to take a lot of time, a lot of troops and a lot of money.

And when we ask you guys about how many troops and how much time and how much money, we're not naive. We're not looking for one year, seven days and three hours. We're not looking for somewhere over "X" billion dollars. We're looking for an honest assessment you all know. You all know we're talking tens of billions of dollars; tens of thousands, if not initially, well over 100,000 troops; and more than the next year. And so, we'd like to get some honest assessment from you as to what you're thinking. Because if you're not thinking in those terms, then none of you should have your job, with all due respect. If you're not thinking ahead as to what it looks like -- going to look like a year and 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're going to be put in a very difficult position.

We know everything changes. I know I love hearing you guys in the administration always say, "things change rapidly." We've 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're the only game in town. I know we have a coalition of 19 countries. But that coalition is a coalition that is a coalition of the hopeful, because 90 percent of the forces on the ground are ours, 90 percent of the casualties are ours, and we're paying a vast majority of the cost 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 1 million barrels a day. The number was \$5 billion to get to 3.5 million barrels a day. But the point is, we're going to have -- there's not enough money at the front end from Iraqi oil to pay for this reconstruction.

By contrast, in Desert Storm, under Bush I, there was a real coalition. There were several hundred thousand boots on the ground that weren't 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's what I call a coalition. That's what I call a coalition.

Now, I'm not suggesting we're 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'd 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's going to be my fundamental question.

We all acknowledge the number one 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's going to take time to stand up those forces. In fact, it's going to take a lot longer time, in my view, than most Americans think it's going to, and, clearly, longer than you all predicted it would at the front end. And that's okay, we all make predictions that are wrong. I've made plenty that are wrong. But the question is, what are we going to do about it?

I saw an 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've known all those guys since Bosnia. They're 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 they told me and told Senator Hagel, 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 looked like the Katzenjammer Kids as they tried to parade for us. They're well-meaning, they're trying hard, but boy do they need a lot of work. A lot of work.

You probably heard that it's 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're talking about three years to build an Iraqi army of 40,000 strong.

That shouldn't surprise us, based on our past experience. I'm not being critical, but they're the 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 time frame we're talking about.

When can Iraqis expect to have law and 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 seven hours that they're in school, in an automobile, waiting for school to be released, because -- for fear of their daughters being raped -- kidnapped or raped?

Now that's not something that -- I mean, they're rhetorical questions. You can't have an answer for that. But what conditions do we have to have existing to be able to meet the -- give reasonable answers to those questions?

And when will Iraqi essential services be restored? They're 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 four hours a day. I'm told now we're 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- -- well-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 the 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 the more difficult it's going to be for us to stand up an Iraqi government that has legitimacy. Like it or not, we're now perceived as the government of Iraq by ordinary Iraqis, and we're 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're prepared to have American forces there from six months to two years, by numbers well in excess of 50 percent, in order to restore order. But there's a direct correlation between the lack of order, the lack of control, the lack of services, and their sufferance of having us around. But the vast majority of the Iraqi people expect us and want us to stay. They 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 can't 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's 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's closing, because the moment the Iraqi people conclude we're 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'll tell us specifically what request 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 their countries, quote, "it needs to be higher than that," end of quote. What are we doing to make that number higher?

I thought it was really important, quite frankly, the Japanese Diet decided that they were going to vote to send forces. I thought that was -- we're 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? Well, I understand in my discussions with NATO that the likelihood of them being able to free up even 20,000 troops is highly unlikely. I'm not looking for large numbers of troops. I'm looking for what you're asking for. What are you asking for? Are we trying to change the profile of the forces on the ground?

And Mr. Bolten, I'm pleased you've 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's 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 and -- 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 you can offer us some answers today. And again, please don't waste our time or yours by saying the future is simply unknowable. We know the future is unknowable. But you can't plan a great nation's steps based on everything, quote, "being unknowable." Pick a number! Pick an idea! Pick a notion! Give us an idea what you're thinking. We don't expect you to give us specific figures, but as the government's chief budget officer, you have to have some numbers that y!

ou're using for your planning, and we'd like you to share them with us.

I'm glad to see that the interim Iraqi budget for the remainder of this calendar year has been issued. And in my judgment, it doesn't 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 finance 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'll share that information with us.

And I hope they can lay out a plan for making the massive investment that Ambassador Bremer says will have to be made. He says that it's going to cost us, over five or six years, \$13 billion to keep electric production apace of demand. International groups have said it's going to cost \$21 billion. I don't know who's right.

He indicated \$16 billion over that same period of time to provide potable water and investments to improve health care and (huge ?) expenses in building a reliable social safety net. Again, I don't know whether that's accurate, but I want to know whether -- are they the 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 cost, providing the lion's share of the troops, and taking nearly all the casualties and all 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 it 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, 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's 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's 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. What are we willing to give them more than -- are we willing to give them more -- not just the French, all these folks we're 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's because we know you folks are the ones we should be talking to, and we're anxious to hear what your plans are and to give us some insight.

I thank you, Mr. Chairman.

SEN. LUGAR: 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 Secretary Wolfowitz. That General Keane would not testify, but is available to ask -- to respond to questions. And so we're grateful for that. But, Mr. Bolten, would you please proceed?

MR. BOLTEN: Mr. Chairman, thank you. And thank you for the warm welcome, 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 U.S. activities and our strategy related to reconstruction in Iraq.

Before I discuss highlights of that report, I'd 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 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 10 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 on this committee, who I understand made valuable contributions. As finally developed, these plans laid the foundation for the work under way 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 two weeks ago and amplified and updated in excellent remarks last weeks 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 database 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 speciality centers and more than 1,200 clinics are open and receiving patients.

Power. Prewar planning limited damage to the electrical system during the conflict, but restoring electricity has been a major challenge because the prewar infrastructure was so dilapidated and because of continuing targeted sabotage.

Nevertheless, much of Iraq, with the exception of Baghdad, is now at or above prewar power availability. Ambassador Bremer expects to restore power fully to prewar 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 1 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 1-1/2 million barrels per day.

In the economy, Ambassador Bremer identified the CPA's broader task in the current economic field as two-fold. 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.

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 appropriate 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 the status of these funds as of June 30. I'll highlight some of the key numbers, what we've 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 account.

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.

SEN. LUGAR: Well, thank you very much, Director Bolten, for these specifics, as well as the outline of the planning. And we appreciate your testimony.

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

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 the whether Defense witnesses should appear before your committee or vice versa.

SEN. LUGAR: Thank the chairman.

MR. WOLFOWITZ: I think there's unanimous agreement that these issues are of such importance that we need to put those kinds of differences behind us.

And I -- 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 didn't need American troops. You, Mr. Chairman, played an extraordinary role in making that happen.

I think it's the kind of thing we've 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 two weeks.

We did it in 120-degree temperature, which I don't 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 didn't

get to sleep in the places we slept in at night. Actually, I think 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've 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'd 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'd add my op-ed piece from yesterday's Post, if I may do so, Mr. Chairman.

SEN. LUGAR: 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's 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'll be delivering quite a bit of it.

I'd 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's 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 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 23rd. 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 Jumana 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 Ba'athist 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 former 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 of our understanding of what went on in the old regime is -- 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 Ba'athists 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's 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 cities 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 holding 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've been through, after the way he's terrorized them, and after the experiences of 1991, they are paranoid.

And so, I came away with two very important conclusions that I'd like to share with this committee about the linkages that confront us in dealing with the problems of Iraq. We cannot take these problems in 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're absolutely convinced that Saddam and his clique are gone and that we are staying until the place is secure. And it's connected also, I might add, to the issue of looking for information about weapons of mass destruction. We've only just recently learned that there 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 (near ?) palace. The luxury is appalling. The marble layers are appalling. It's 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 problem 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've got 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 incidents of clear and deliberate sabotage, where all that is done is destruction. Indeed, the more we succeed, the more the Ba'athists and the terrorists who are working with them will target our success, but they won't 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 a 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 regime dead-enders may have clinged (sic) 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 Turaba, 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 marshes are no more. For 10 years Saddam drained their ancestral lands. Where there was once a lush landscape of productive fresh-water 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 two or three years, much less another 12. The children in Al-Turaba mobbed us, greeted us with loud applause and cheers of "Salam, 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 Hillah 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 completely -- 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 Hillah, 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 Hillah 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 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. Mr. Chairman, I don't 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 won't 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 su!

ccess 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 Ba'athist 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 erupting -- erupted all at -- 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 that Uday and Qusay were killed, we also captured number 11 on the list: the commander of the Special Republican Guard. That's the unit whose job was to spy on the Republican Guard. The purpose of the Republican Guard was to ensure the loyalty of the regular army. And, of course, there was something called 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 neighborhoods like a huge gang of organized criminals. And it is the coalition's intensified efforts on finding and capturing mid-

level Ba'athists that we believe will yield increasing results in apprehending the contract killers and dead-enders who are now target our soldiers and targeting our success.

Major General Ray Ordierno, 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's only one in a thousands, that's still 20,000, and it's not a small number.

I think it's 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'll try to summarize what's in the written testimony. I think, Mr. Chairman, and you and Senator Hagel and Senator Biden can attest to the fact that there's more good news in Iraq than is routinely reported. We saw quite a bit of that. Significantly, the military commanders that I talked to who have had experience in the Balkans all said that in Iraq 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 three months that didn't 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 hav!

e 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's a little high, but it's 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 we'd 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'm 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're still not at pre-war levels on electricity. But that's 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 distribution is up and running. We'd planned for a food crisis, but there isn't 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 isn't 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, to 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 Basra 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 governing councils free from Ba'athist influence. I would note we have one Harvard-trained lawyer, an enlisted woman in the Army Reserves, who is now trying the previous governor of Karbala, whom we mistakenly appointed and is now in jail on corruption charges. The present governor -- excuse me; that's in Najaf.

The governor of Karbala captured the development best when he told us -- and I'm 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 rites in freedom, have good relations with our neighbors in the world. The Marines in Karbala," he said, commanded by Lieutenant Colonel Lopez -- that's Lieutenant Colonel Matt Lopez, for his parents -- "worked day and night with our governing council to provide security and services." End quote.

I asked him if he'd 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 won't 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's 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

(sp), 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 prewar Iraq. In the old regime, organized associations weren't allowed. For this purpose, they weren't 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 (sp) if they taught him that at West Point, and of course he said no.

He said they'd had to figure that out as they went along. But of course, that something that Americans, including our wonderful soldiers, have in their fingertips is 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 Ba'athist 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 have been effectively rooting out mid-level Ba'athists, some senior Ba'athists, capturing surface-to-air missiles, rocket-propelled grenades and other horrendous devices. He said that as we continue to capture or kill the foot soldiers, it's becoming increasingly more difficult for the mid-level Ba'athist financiers to organize, recruit and maintain their force of hired killers. And they are also very good after any operation, going into the villages where they've 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 Council has been established whose members are working together. It's 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 on 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, quote, "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, eight 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 ?) during our visit, and he said something that I believe is quite profound and I'd like to quote it. And I'd like to note that General Abizaid is not only an outstanding commander and a great soldier, he's a real expert on the Middle East. He's 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 only 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'll 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's not just a matter of somehow or other fighting a global war on terrorism with Special Operations forces. It's 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're successful here in Iraq, I believe it's a unique opportunity for the whole region."

"I think I'm pretty inarticulate on it," he said. I would disagree with that one part of his statement. He's very articulate, and I agree with him strongly. "But I guess it's to say you can't separate the global war on terrorism from what's happening here in Iraq, and you can't separate the struggle against Ba'athists from the global war on terrorism."

"And if we can't be successful here," he said, "we won't be successful in the global war on terrorism. And that means" -- and this is important -- "and that means," he said, "it's going to be long, and it's going to be hard, and it's going to be sometimes bloody. But it is the chance, when you combine it with initiatives in the Arab-Israeli theater and initiatives elsewhere -- is the 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's no question that our commitment must be equal to the stakes.

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. Mr. Chairman, I applaud the determined dedication of this committee -- and 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 into that in questions. s

But I would like to say something that's very important here, because the most -- we don't need more American troops. At least our commanders don't 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've 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 Ba'athists 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 do the job.

One reason our commanders don't want more troops, Mr. Chairman, is that the function of American troops is to go after an enemy that had been identified through actionable intelligence. When it comes to patrolling the streets of Iraqi cities, it's 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 can't 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 or the perfect scheme for training an army, doing things rapidly will have big payoffs.

But let's put it in some context. According to some estimates, it cost 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 an even larger way as well. The American presence in the holy land of Saudi Arabia and the sustained American bombing of Iraq, which were a 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've 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 recover action will cost. What we do know is the 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 are 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've received from Iraqis. They expressed 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, from 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 plotting, 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 in 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 Turkoman assistant mayor immediately said, "What caused this great ethnic gap here was Saddam. Throughout our history, we had no problems" -- a slight exaggeration, but not too far. "This has 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 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; namely, their future.

When we've 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 a while 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.

SEN. LUGAR: Well thank you very much, Secretary Wolfowitz, for a very eloquent and comprehensive statement that we requested you make, and 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 roll call votes at some time that will be inopportune, so I would suggest that we try for a five-minute limit on a first round, and that may be the only round, but to try to economize time, recognize as many members as we can.

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

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

Let me ask once again, my quest here is to try to think through -- and if you can, in your own mind's eye, see sort of five blank sheets of paper for the next five years. Now, we heard from Mr. Hamre roughly that the budget of Iraq incorporated -- the government that preceded this is about \$30 billion a year. I never heard of that figure before. I don't know of this 30 (billion dollars), but you probably could establish it. In other words, it was some sum of money; revenues from all sources that Iraq used to pay for its governance. Now, you could argue somewhat that was wasted on troops and palaces and so forth, so maybe Iraq doesn't 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 revenue comes from now. And so did Ambassador Bremer. As I look at this, though, it seems to me important (that ?) showing not only our staying power, our vision and something which the Iraqi assembly council, or the evolution of a democratic group of Iraqis, may want to make some amendments; that we say "X" number of dollars is going to be required for administration of this, this, this and this, and they add up to something. And on the revenue side, the money is going to come from these sources: oil, of course; the confiscated assets or whatever turn up are going to run out -- Mr. Bremer pointed that out -- not exactly this year, but stretch to get over to next year, but that's about it for that. Maybe at some point, this economy of Iraq produces some revenue from other sources. If it works, it would do so, as most governments do. But for a while, it may not. Now, there are some b!

lanks there that need to be filled -- the pledging conference, other countries, the humanitarian resources, the United Nations; but at the end of the day, probably the United States. And what I'm trying to draw in terms of public debate is the thought, first of all, staying power, the confidence you have suggested.

Secondly, the lack of surprises. The thought that on down the trail, when the enthusiasm that we now have for solving the problem lessens, and heaven only knows there may be other problems, that we have at least some idea of what is likely to be required of the American taxpayer. Now, a failure to do this is going to lead, I believe, to a lot of partisan haggling, bad surprises, whoever is president coming up with supplementals, running out of money unexpectedly. It wasn't unexpected. All of this is fully expected. And so, while we are fully expecting, let us say so.

Now, I appreciate, again and again, people will say, "well, this is unknowable." As Senator Biden

said, of course it is. We don't know in our government precisely for the next five 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 anticipation.

All I'm saying is, with regard to Iraq, however, perhaps this is not quite such a volatile, dynamic situation. And at least it offers for the fledgling Iraqi government a chance to amend the motion, to say, "These aren't the priorities that we see, and as a matter of fact we think that some revenues can come from this and that."

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

I will not burden you with asking for a further comment, because my time has expired, and I want to pass that along to somebody else. But I've just taken this five minutes to make the point. And I visited a little bit with Mr. Bolten about this prior to the hearing, and he knows the regard I have for him and the work at OMB. And that is so critical, working with you at the Pentagon and working with State, working with NSC, working with our total government.

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

SEN. BIDEN: I want to try to ask a couple very specific questions, and if you could 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 '03 and for '04 for Iraq?

MR. BOLTEN: For the rest of '03, Senator Biden, the -- on the cost side, our working assumptions are those that Ambassador Bremer has brought back to us. He's anticipating expenditures in the range for the total of '03 of about 7.3 billion (dollars). And what that --

SEN. BIDEN: How much will you be requesting for the remainder of the year, if any, from the United States Congress to fund that need?

MR. BOLTEN: We don't anticipate requesting anything additional for the balance of this year.

SEN. BIDEN: What do you anticipate for '04?

MR. BOLTEN: I don't know the answer to that. Ambassador Bremer is -- has laid out a reasonably specific budget for the balance of '03, and I think he had an opportunity to discuss that with you. But even that was relatively crude, because of -- they're just getting a handle on so many of the variables that are in play right now.

SEN. BIDEN: Do you anticipate we'll be continuing to spend \$4 billion a month for our troops in Iraq, for '04?

MR. BOLTEN: That's roughly what we're spending now. Looking out over the immediate term, we don't have any reason to expect a dramatic change in that number, but I wouldn't want to predict beyond the next couple of months, because the situation is so variable.

SEN. BIDEN: Don't you have to -- I mean, we're talking about the '04 budget. We're going to be voting on that in the next couple months. What the devil are you going to ask us for?

MR. BOLTEN: Well, the -- in the '04 budget -- and Senator, we've -- as you know, we've 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 --

SEN. BIDEN: Why?

MR. BOLTEN: Simply because we don't know what they will be. We will --

SEN. BIDEN: Oh, come on now! Does anybody here at the table think we're going to be down below 100,000 forces in the next calendar year? Raise your hand, any one of you. You know it's going to be more than that. See, you know at least it's going to be \$2-1/2 billion a month. Give me a break, will you? When are you guys starting to be honest with us? Come on! I mean, this is ridiculous. You're not even --

MR. WOLFOWITZ: Senator, to suggest that this is an issue of honesty really is very --

SEN. BIDEN: It is a suggestion --

MR. WOLFOWITZ: Oh, it isn't. It is very misleading.

SEN. BIDEN: -- of candor, of candor, of candor. You know there's going to be at least 100,000 American forces there for the next calendar year, and you're not asking us for any money --

MR. WOLFOWITZ: Senator, I don't know what we're going to have there.

SEN. BIDEN: Let me finish, please. Let me finish.

MR. WOLFOWITZ: Okay.

SEN. 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 don't have to keep coming up here with one supplemental request after another.

So I don't sit here and say, well, maybe the number is going to be 100,000, and then it turns out it's 120,000, and then people accuse us of being misleading or dishonest.

SEN. BIDEN: No, I think --

MR. WOLFOWITZ: We know what the number is now. We know what we're trying to do in terms of enlisting other countries. We don't know whether the Paks are going to come through with a division, we don't know whether the Turks are going to come through with a division, we don't know how rapidly we're going to be able to train Iraqis --

SEN. BIDEN: Are you suggesting, if, in fact, they come through with divisions we're going to reduce American forces?

MR. WOLFOWITZ: If they -- I believe that's exactly the purpose of getting foreign troops in. In fact, in southern Iraq today we are handing --

SEN. BIDEN: Reduce American forces.

MR. WOLFOWITZ: -- we are handing responsibility for key provinces of Iraq over to the Poles and the Spaniards and the Italians, and we're taking Marines out, we're not replacing them with Americans. So --

SEN. BIDEN: So we're going to have a net reduction of American forces for the --

MR. WOLFOWITZ: I'm not predicting, Senator. I don't know. Until we get these Ba'athist criminals under control, we're 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're trying to get Iraqis to fill in for us. And I think by the end of the year or early next year we'll have a much better fix on what it takes to get through the year.

SEN. BIDEN: I mean, any expectation that you're going to be able to stand up an Iraqi army of any consequence in the next six months?

MR. WOLFOWITZ: There 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 two- to three-year project, to produce regular units, lots of training, lots of discipline. You don't need that kind of an army to guard fixed power lines, you don't need that kind of an army to take over from Marines guarding hospitals, you don't need that kind of an army to guard banks --

SEN. BIDEN: That's a civilian defense force you're talking about.

MR. WOLFOWITZ: It's a civilian defense force. We believe we can have --

SEN. BIDEN: How long do you expect to have --

MR. WOLFOWITZ: -- thousands of those people available within about 45 days. That's --

SEN. BIDEN: Within 45 days. And how about the police?

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

SEN. BIDEN: Iraqi police have taken over in -- well. Okay. I -- (laughs) -- 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've kind of got everything on course here, and everything's pretty well in hand? I mean, you told us about how the military says we're well ahead of where we were in Bosnia, and -- are you happy with where we are right now?

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

SEN. BIDEN: The report called for what, 5,000 of those? Are they up, 500 diesel-driven emergency generators to be installed? Are they -- are they up and running?

MR. WOLFOWITZ: I don't -- I can check that for the record. I don't know the detail. But that is an example of where we're looking at acceleration. We're looking at acceleration in some nonmilitary 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's going to take some money and some legal efforts to do that. We'd like to get that started more quickly than was originally planned. Your point, Senator, which I agree with, is there's a window of opportunity here. I can't measure how long it is. But I do believe that the sooner we move within that window, the better off we'll be further out in the future, and that money invested now, even if it's 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're currently spending on our troops.

SEN. BIDEN: My time's up, but I'm confused. General Myers, the chairman of the Joint Chiefs, said if we get these 30,000 additional foreign troops, that there will be -- not enough for us to reduce our military in Iraq for months, possibly years, and he said we need more than 30,000, and even that. I don't get you guys. I mean, Myers says that; you're telling me we get these additional troops, we're going to draw down American troops.

GEN. KEANE: Could I respond to that, Senator?

SEN. BIDEN: Sure.

GEN. KEANE: The two pacing items that involve U.S. troop commitment is -- one, obviously, is the level of violence and the security situation we're 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 towards March, what he sees is the -- definitely two multinational divisions, probably by the end of September, and the possibility of a third -- that hasn't 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're moving very quickly, obviously, to get the Iraqis to do more for themselves, to help to vent -- defend their own people. And that's in its embryonic stages.

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

SEN. BIDEN: These forces are nowhere, and I'd be interested to see about your civilian force.

But at any rate, I thank you.

SEN. LUGAR: Thank you, Senator Biden.

Senator Hagel.

SEN. CHARLES HAGEL (R-NE): 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've very, very proud of what they've done and what they're doing. And please extend that to them. Thank you.

GEN. KEANE: Thank you, Senator.

SEN. HAGEL: I'd like to stay on this issue of manpower, force structure, and read just a short paragraph from a July 16th news conference that General Abizaid gave. And he said in that news conference 13 days ago, speaking of troop rotation, much of what we're talking about here, in specific reference to the 3rd Infantry Division and 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'll 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 our allied coalition forces happen to submit to us in the next week. But we'll 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?

GEN. KEANE: Yes, sir. The Army has put together a rotation plan and policy. It's one year in length, which means that the forces being in Iraq will stay and do a 12-month tour. We've got a history with this going back to World War II where we stayed indefinitely; Korea, it was six months and 12 months for combat forces and support forces; Vietnam, it was a 12-month individual assignment, if you recall. And then --

SEN. HAGEL: Well, General, may I interrupt just a moment -- I don't mean to be rude -- because

my time is short here. I understand that part of it. But what about numbers relevant to what you've been hearing here? Are we any closer to understanding what's going to be required here in the way of American force structure?

GEN. 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.

SEN. HAGEL: But that's American for American.

GEN. KEANE: That's correct.

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

GEN. KEANE: Well, to deal specifically with what you're talking about, is there's a multinational division that's 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's expected to take place in the September time frame.

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

GEN. KEANE: Oh, absolutely. Oh, no question about it.

SEN. HAGEL: And what I'm 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? We're -- understanding completely that these are dynamic issues and they float and they move back and forth, and obviously depending on our international assistance. Can you -- can you help us here, General?

GEN. KEANE: We -- we have -- 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 through the February- March time frame when all of the units that are currently in Iraq will be completing a one-year assignment. And all those forces have been notified who they are.

SEN. HAGEL: Would you say then American numbers -- not specific units, but American numbers -- would remain about the same?

GEN. KEANE: About the same. I mean, obviously, we're --

SEN. HAGEL: So we're talking 148,000 Americans.

GEN. KEANE: We're going to have some slight reduction when we bring out the Marines. That's about nine thousand plus. And if a third coalition division comes in place, which we're working on right now, that'll also reduce American numbers. But by and large, American numbers will stay the same with some slight reduction.

SEN. HAGEL: Thank you. There's 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 -- headline: "Strains Countries' Resources" -- just like our force structure, I suspect, is under some strain. When you look at 33 combat brigades, 24 of them are 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 don't have enough time to go over this, but if you've 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 Bolton. Is it my understanding, Director Bolton, that you will not be coming up here with a line item for FY 2005 for the Iraqi account? In the FY 2005 budget you will not be coming up with a specific request in that budget next -- next year?

MR. BOLTEN: Well, I can't say what'll be in the budget next year. But Secretary Wolfowitz is right; we will be coming with a supplemental for '04.

SEN. HAGEL: But not in the -- what you intend to do right now. Not in an FY 2005 budget request that you always come up to the Hill early in the year with. You don't intend to have that line item in there.

MR. BOLTEN: I don't anticipate that now 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.

SEN. HAGEL: My time is up.

Thank you, Mr. Chairman.

SEN. LUGAR: Thank you, Senator Hagel.

Senator Dodd.

SEN. CHRISTOPHER J. DODD (D-CT): Thank you very much, Mr. Chairman. And let me begin by thanking you, Mr. Chairman, once again, for -- the series of these hearings 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've done here.

GEN. KEANE: Thank you, Senator.

SEN. DODD: Let me, if I can, in the time that we have available to us -- I'm 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 28th report of the humanitarian assistance we've received from other nations. There's some 29 nations that have pledged about a little over a billion dollars; about half of that has come from the United States, 565 million.

Looking at the Hamre report, which says, and I agree with it, that the next 12 months -- in fact, the next three months -- may be absolutely 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're going to seek a U.N. resolution for humanitarian cooperation. And if so, when would we do that? What's the nature of that resolution, if we're going to seek it?

MR. WOLFOWITZ: Senator Dodd, that's something that Secretary Powell is exploring right now. And I shouldn't comment on -- in fact, I don't 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 have said that it would make it easier for them. I have to note that that isn't necessarily their real reason. I think it's important to recognize that, again, there's a connection between security and peacekeeping. It's much easier to bring in a foreign unit in an area that's already stable. And as we improve our ability to stabilize the country, I think we'll get more contributors.

SEN. DODD: Well, isn't that the chicken and egg, though?

MR. WOLFOWITZ: The U.N. resolution would help.

SEN. DODD: Isn't that a bit of a chicken and egg? I mean, I -- certainly, security is critically important. But to get security, the notion somehow that there's 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 -- doesn't that, in effect, contribute to more stabilization and security if there are more people involved in helping us bring about the kind of suggestions that Secretary Hamre --

MR. WOLFOWITZ: Not necessarily. Not necessarily. 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 -- the British certainly are. And I believe Iraqis would. But if you have troops that are -- 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 --

SEN. DODD: Let me --

MR. WOLFOWITZ: -- we welcome a U.N. role. The U.N. has been positive. For example, Sergio de Mello, 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. isn't 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.

SEN. DODD: All right. So, my sense -- if I had to be sitting here and trying to glean from your statements here, you're not overly enthusiastic about a U.N. resolution, at least a U.S.-authored one.

MR. WOLFOWITZ: No, wrong. I'd be very enthusiastic about the right kind of resolution and very concerned about the wrong kind. And that's why Secretary Powell is engaged in what is a difficult discussion.

SEN. DODD: Well, let me ask you here, as I look through the Hamre report here, when he starts talking about what needs to be done over the next 12 months, the next three months, he talks about -- obviously, security is mentioned as number one, but he quickly moves to Iraqi ownership of the rebuilding process in the country; the -- getting people back to work as quickly as possible -- I listened to some reports about what we're 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 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's security, it's restoring basic services, it's getting the economy going and it's moving forward on governance.

And what I've tried to say by saying you cannot separate security from rehabilitation or reconstruction and you can't separate rehabilitation or reconstruction from security, you've got 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's not going to go very far because the other ones are going to hold you back.

SEN. DODD: I don't disagree with that conclusion. But, I mean, look at the Coalition Provisional Authority organization and the Coalition Provisional Authority, the charts here. As you're looking down the number of people that are involved, first of all, on the Coalition Provisional Authority chart, which was handed out, there are some -- the total CPA numbers -- a little in excess of a thousand -- 1,147. There's Department of Defense, 332 people who work with that authority; the military, 268; contractors, 300; other USG personnel -- the Department of State is 34 people out of the 1,147 people. And I look at the Coalition Provisional Authority organization, it 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've got to work both, you can't just have security.!

But you start talking about, though, the organizational charts and the number of personnel involved in dealing with what we talked about as absolutely critical functions of this country, if you're going to establish the kind of stability, along with security, that you need to have, I don't

see that reflected at all in the number of personnel involved in the coalition or even the presence of the secretary of State in the organizational chart, or flow chart, of where authority flows from from the president on down. Where is he in all of this? How do you do these things -- you can't ask the military to do all of this.

MR. WOLFOWITZ: Senator, the CPA staff is a very interagency staff. In fact, many of Ambassador Bremer's key people, including his deputy for the whole political government and its operation, is a senior State Department ambassador, Ryan Crocker. There are a large number of USAID people in those numbers. I don't know under which category they come. I'm 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're not going to run Iraq with 1,147 CPA people. The whole goal is to get Iraqis running Iraq, and we've been quite successful in a number of places. The Foreign Ministry is a dramatic example, where I believe two State Department advisers, I think maybe only one remaining 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's just a -- it's -- the spirit is inspiring. That's 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've met people I recognize from the Pentagon. So I --

SEN. DODD: You understand my concern.

MR. WOLFOWITZ: Ambassador Bremer is getting the people he needs.

SEN. DODD: Let's look at the flow chart 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's talked about here requires political structure and organization, understanding language, culture, customs. It's unfair, in my view, and wrong to ask the military to take on that kind of responsibility. That's one of the major concerns here. Where is he in this?

MR. WOLFOWITZ: Let me emphasize, there are 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 policy guidance, it comes from the president, who can be -- who is advised by the National Security Council, on which the secretary of State sits. But what we've 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.

SEN. DODD: Thank you.

Thank you, Mr. Chairman.

SEN. LUGAR: Thank you, Senator Dodd.

Senator Chafee?

SEN. LINCOLN CHAFEE (R-RI): Thank you, Mr. Chairman.

Welcome, gentlemen. 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'd like to get at the key question of what we're really doing there.

And, of course, in the months leading up to the war it was a steady drum beat 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 don't think it's in any of your written testimony.

And so we're seeing shifting justifications, I think, for what we're 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's been allegations that this will help with our war on terrorism. But we just haven't seen the proof of any linkage between Saddam Hussein and al Qaeda.

And now, today, it's -- the testimony is over and over again about what a despicable tyrant Saddam Hussein is, who brutalizes people.

But at the same time, in Liberia, Charles Taylor has been indicated, and according to the prosecutor, he's 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 the people. But we're doing nothing in Liberia.

So it comes back to the questions of the unified message coming from the administration as to what we're doing there, and why we didn't wait for the United Nations Security Council to do their inspections. Now we're in this endeavor, a huge cost not only in resources but in lives.

So I'll 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've 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 concern about Saddam's links to terrorism, which are there, not as clear as the case on weapons of mass destruction --

SEN. CHAFEE: Secretary, just to interrupt. I'm a cynic, so when you make these assertions, give some proof. A threat to the United States. How?

MR. WOLFOWITZ: I suggest you go back and read -- and 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 the kind of threat which maybe 10 years ago we would have 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 the problem of the Iraqi people. I said all along I believe we should have given those people more help in getting rid of that tyrant.

But September 11th 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.

SEN. CHAFEE: Now --

MR. WOLFOWITZ: I talked about the mistreatment of the people --

SEN. CHAFEE: Can I interrupt one time? Let me interrupt, because my time is limited, unfortunately. You just said that this is -- that 10 years ago you wouldn't 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 --

SEN. CHAFEE: Look, now wait a sec. You were saying that we're seeing it in the light of September 11th. That's just not true. You've been advocating for regime change all through the late '90s. And in this letter, the --

MR. WOLFOWITZ: Can I explain? There's a very clear difference --

SEN. CHAFEE: -- "the strategy should aim, above all" -- this is 1998 -- "the strategy should aim, above all, at the removal of Saddam Hussein's regime from power." You signed that letter.

MR. WOLFOWITZ: Senator, there's a very big difference. I was very clear -- I don't know if it's in that letter, but elsewhere -- I never thought before September 11th 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 Gulf War, when I thought we should have done some other things we didn't do. I thought, up until September 11th, 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 11th 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're 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 threatened. Our security was threatened. The troops out there, I think, understand!

that it is threatened. I think they understand that they're 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 the 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 doesn't 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's part of our problem there.

SEN. CHAFEE: Well, I'll just finish up by saying I really resent when witnesses talk that this is in the light of September 11th when the evidence is to the contrary. The -- (inaudible due to cross talk) --

MR. WOLFOWITZ: Senator, you're misrepresenting what I said in that letter.

SEN. CHAFEE: -- yes, you have over and over again, through the late '90s, urged regime change in Iraq.

MR. WOLFOWITZ: Can I try again, then, since you're -- I believe you're not representing my views properly. It is true I thought, from the end of the Gulf War up until September 11th of 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 were sitting on the south bank of the Euphrates River.

September 11th 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.

SEN. CHAFEE: Well, I wish we had more time.

SEN. LUGAR: Thank you very much, Senator Chafee.

Senator Feingold.

SEN. RUSSELL FEINGOLD (D-WI): Thank you, Mr. Chairman. The hearing is 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 in 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's terribly important and the purpose for the hearing.

But, Mr. Chairman, as I listened to Senator Chafee, I'm 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's even more to it. There's a heck of a lot 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 can't vouch for that -- absolute validity of that. But if you're focused on the war against terrorism, you'd 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, quote, "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're 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'm 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 can't view this through a soda straw, you can't focus exclusively on Iraq, you can't focus exclusively on Afghanistan, and you can't focus exclusively on those two things, although from a military point of view, those are our two principal tasks. As the president 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've 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 11th, Khalid Sheik Mohammed.

Does it mean it's a uniform game? No. You're right that a couple of people got away in that prison escape in Yemen. We're trying to find out why.

General Abizaid has just been in the Horn of Africa, where we're looking very closely at what's going on there and what can be done to stop it. And it's not just a military effort.

But also, let's be clear, it's going to be a long struggle. We've made gains, but we are still vulnerable. We're vulnerable as a country 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, and that's why so many of them have come to Iraq to fight. It's interesting, when we met with the Marines who had that eastern flank advance up to Baghdad, I asked General Mattas (sp) 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's much better, as General Abizaid has said, to be killing those people in Iraq than to have them come here and kill Americans.

SEN. FEINGOLD: Well, Mr. Chairman, I would certainly suggest -- in effect, I think your comments, Mr. Secretary, suggest that these people came to Iraq in large part because of our actions vis-a-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, in 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 overemphasis on Iraq has caused a serious erosion of our ability to go after the actual operatives who were trying to kill ourselves and our children.

Mr. Bolten, do you expect --

MR. WOLFOWITZ: I think that's simple wrong, Senator.

SEN. FEINGOLD: 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 Ba'athists, 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's because I did not come here, Senator, to talk about the justifications of the war. I came up here to talk about!

t what is needed for reconstruction and rehabilitation. Frankly --

SEN. BIDEN: But you haven't said anything about it.

SEN. FEINGOLD: Well, Mr. Chairman, I --

MR. WOLFOWITZ: The Iraqis do not care -- SEN. FEINGOLD: I'm going to -- I'm going to interrupt here, Mr. Secretary, and say I did not come here, plainly, to discuss this whatsoever. This was a hearing about resources. Only when your testimony at length stated that Iraq is THE central location on the war against terror, that it was impossible for me to ignore such an extreme interpretation of what's 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 in hand instead of constantly trying to pretend that September 11th and Iraq are the same issue.

Thank you, Mr. Chairman.

SEN. LUGAR: (Sounds gavel.) Thank you, Senator Feingold.

Senator Allen.

SEN. GEORGE ALLEN (R-VA): Thank you, Mr. Chairman. Thank you, gentlemen, and thank you to all the -- whether it's troops or others in the Department of Defense who are working to protect our country.

From my perspective on this, these are historic, it's transformational, the times that we're living in now. The implications are, in my view, 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, history -- 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 obviously is being determined step by step by every single decision. Obviously, the larger implications for the Middle East are at stake here with the opportunities there may be in the Middle East.

But most importantly, I think the future of the United States is at stake. Number one, obviously, financially, budgetarily -- that's one aspect. Secondly, our security: our success here will have an impact on our security. And third, in the largest sense, our reputation and the credibility of the United States in the ongoing war on terrorism is at stake here. It's -- 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 minutia versus the other, all as important as they are, but here we are in this situation. And I think we need to stick to -- I've kept from Ambassador Bremer his strategic plan, or our strategic plan on the economic and the political aspects of this. I think it's a good, logical strategic plan on principles as well as the practicalities of it. We'll have to call audibles. You cannot always determine, as Ambassador Bremer said, what's going to arise, but you have to be ready to adapt and react to those situations, sticking to our principles.

And I think that the United States -- or Americans, as citizens, and our allies have to stick together because there really is so much at stake here. And I believe that we do need to win this peace. We have to do it honorably.

Now, Secretary Wolfowitz, you talked about how central Iraq was in the war on terrorism. I think

we'll all grant that Afghanistan is central. It's 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 hope that you, or maybe the general, could share with this committee about these reports of foreign terrorists coming into Iraq. There's 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'd love to be able to hit us here, but they can't 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 don't mean that Afghanistan has gone away, and I don't mean that Iraq is the central battle in the whole war, but right now it is where it's being fought. And that's why these terrorists are coming in there. It's true it's 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, it's a huge victory for them. That's why for them it's so central.

We took out a camp in Ar Rutbah in Western Iraq a few weeks ago. I don't 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 30s, 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 Mattas (sp) 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 --

SEN. ALLEN: Presently do you see them coming in?

MR. WOLFOWITZ: It's not easy to get in. We're trying to shut down the borders.

One group, though, that's particularly dangerous is this group called Ansar al-Islam, which is connected to that gentleman, Zarqawi, who was in Baghdad, whom Secretary Powell spoke about in his Security Council presentation. And these folks are -- seem to be shifting between Iran and Iraq. We don't think they're 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 don't know, General Keane, if you want to add to that. But --

GEN. KEANE: The three threats that we're really facing certainly deals, one, with the former regime loyalists. And you know they're the Ba'athists, 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 can't tell you equivocally what those numbers are. There were a hundred thousand-plus, you know, before the war started, and they're considerably less in terms of what we're dealing with.

We're also dealing with foreign terrorists, as the deputy secretary mentioned. We don't know what those numbers are. But we have evidence that they're there. And they come from the plethora of countries: from Syria, from Saudi Arabia, from Egypt, from Sudan, et cetera. And the other threat that we're facing is the Ansar al-Islam as well. And we did take out a terrorist training camp in western Iraq a few weeks ago, 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're there, but we don't know the numbers that they are there in, Senator.

SEN. ALLEN: Thank you.

Thank you, Mr. Chairman, gentlemen.

SEN. LUGAR: Thank you very much, Senator Allen.

Senator Boxer.

SEN. BARBARA BOXER (D-CA): 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 or affiliated groups have operated". Iraq is not listed. This is after 9/11. I want to put that in the record.

SEN. LUGAR: It'll be placed in the record.

SEN. BOXER: I would like to talk about your testimony, and then I have a question on another matter.

You said very eloquently that there's 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're starting to ask me questions. And I can't tell them what the outlook is because you won't tell us. And not only won't you tell us that today, sir, you'll say, Oh, the next two months, you didn't tell anybody before this war started, Mr. Wolfowitz, and I put -- I ask to put in the record your exchanges with Chairman Spratt over at

the House side on February 27th, and you were dancing around that issue in a way that was extraordinary. I don't have time to read it back to you. I'd like to put that in the record.

SEN. LUGAR: Placed in the record.

SEN. BOXER: And I will say that I do agree with Senator Biden when he says that there's 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 cost us 30 billion over 12 years, my calculation, that's 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, 45 billion? Well, we spend 23 billion a year on higher education. We spend 6.7 billion on Head Start, we spend 31 billion on all of our highways. And veterans' medical care is 23 billion, and the NIH that's going to find a cure for all the diseases that plague our families, we spend 27 billion.

And that's just to give you a clue of why 45 billion a year is more than any one of those items, and my people at home say burden-sharing is what we want and what we expect.

Now, I've read books about how the 21st century, we all want it 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 so convinced that this has become all about terrorism, then the whole world ought to be with us. And you talk about the Italians -- they've given us 400 troops. You talk about the Italians. The Poles, 2,400. So how does that come close to what we're seeing? And, by the way, the Poles aren't even -- we're spending some of the money to support those troops. So, I am very concerned about the direction that we're 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's a low-intensity conflict? I want you !

to know when your kid dies it's not a low-intensity conflict. So we have got a lot of problems with this, at least in my state my people are very edgy and very anxious.

My question is about a bizarre and morbid new program that we're all reading about today in the newspapers, an administration activity that I view is profiting on death. It's 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's 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's going to be terminated. In fact, I think there will be an announcement made today to terminate it, and we'll 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.

SEN. BOXER: Well, if I could comment --

MR. WOLFOWITZ: What you said, Senator Boxer, if I might --

SEN. BOXER: No, 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 don't think we can laugh off that DARPA program. There is something very sick about it. And if it's going to end, I think you would end the careers of whoever it was who thought that up, because terrorists, knowing they were planning an attack, could have bet on the attack and collected a lot of money. It's a sick idea. Thank you.

MR. WOLFOWITZ: Senator, I didn't laugh at it, and I don't like what I read about it. You said that the president declared the war was over. He didn't do that. He declared the end of major combat operations. And he also said -- this was on the Lincoln, and I'm 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're in it, it's 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.

SEN. BOXER: I think the world ought to get behind us on that.

MR. WOLFOWITZ: We're working on that.

SEN. BOXER: Yeah, well, you've got to do better.

SEN. LUGAR: Thank you, Senator Boxer. Senator Brownback.

SEN. BROWNBACK: Thank you, Mr. Chairman. I want to thank the panel as well for being here with us today and, 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 1990s, or ranking member, was either chair or 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 then. And the prior administration really not focusing much on what we could do passed 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 bio!

logical weapons against its own people and against the Iranians, that had terrorists operating on its soil. And so it seems to me that we went from a very growing difficult situation in the late '90s to where one after post-9/11 we had to deal with it, and there had been a huge bipartisan vote in the House and the Senate to support the use of troops in this situation in Iraq. I think -- I thought then, I think now -- that our most important and difficult foreign policy issue over the next five to ten 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. It seems like you're on that course. I 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!

h, as difficult as it might be.

I have three questions I'd like to just 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 awards been paid for the tips that got the two sons? It seemed 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's the key to reestablishing that huge region. And I don't know how difficult it would be, but it was one that the opposition groups in the late '90s were very focused on at that time reestablishing, 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 remembered when Senator Chafee was asking about our letter from five 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 to 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 is part of the issue. It's still not safe in Iraq to be identified in that way. And we feel it's 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 get, continue to get the cooperation both on number one, and on all the others. Secondly, you know, everybody wants us to predict the future, and when we refuse to predict the future they say we are somehow misleading people. The future is not predictable, especially not in a war. You can read that in Clausewitz, you can read it anywhere. You can read it in all military history.

What we try to do -- sir, I can't 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 it has got to make a difference, because of the second reason, which I believe strongly, which 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's 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's 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's a question I've come back with a certain sense of urgency about. I'm 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 don't think they'll survive too much longer if we do a 10- or 15-year reclamation project.

SEN. BROWNBACK: General Keane?

GEN. KEANE: Yes, I'd like to add to that, and 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 are 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 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 Ba'ath Party, despite the enormous stranglehold of fear that they have on the people in Iraq. And I think -- I know myself I certainly underestimated what that stranglehold of fear truly was, and how pervasive the Ba'ath Party was. It's very similar to the Nazi Party in World War II Germany and the Gestapo and the Feyadeen 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 won't stay the course. They didn't stay in Lebanon, and they didn't stay in Somalia. They don't have the moral and political resolve to stay here and see it through. And that's 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's why when the deputy secretary pointed out that it's really a hand in glove, the physical and political 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'll continue to make some. 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. They certainly have the skill to defeat an army, and they 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's 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.

SEN. LUGAR: Thank you very much, Senator Brownback.

SEN. BROWNBACK: Thank you, Mr. Chairman.

SEN. LUGAR: Senator Nelson.

SEN. NELSON: Thank you, Mr. Chairman. I had 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 got a couple of follow-up 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 futures 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's their description."

And then further in the website 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 website pages they even have a target here on the website, 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'd like to know too, and I intend to find out.

SEN. 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 don't know the answer, but I share your shock at this kind of program. We'll find out about it, but it is being terminated.

SEN. NELSON: Can you tell us how much has already been spent setting up this program?

MR. WOLFOWITZ: I will get you an answer for the record. SEN. NELSON: Okay. All right. Mr. Chairman, I assume that you would share the outrage that some of us share 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 mamas 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 our 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 parched 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's 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. 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?

GEN. KEANE: Senator, thank you for your support of our military, and in particular for the Guard that you mentioned in the state. There's no doubt about it. I mean, our force is stretched, and that's 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've had since 1982. They're also doing completely the mission in Bosnia today. This month they'll take over the mission in Kosovo. And they've also been primarily the force that has been conducting the mission in Guantanamo Bay, where our detainees are. And also the next rotation of the training of the 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 to enhance separate brigades, one from North Carolina and one from Arkansas, will round out the rotation force. And 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've 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. We're attempting to hold to that. They will not stay in Iraq for a year, the two enhanced brigades. They'll stay there about six or seven months because we want to mobilize them, train them, and then demobilize them all within a year.

As it pertains to what's the implications for the active force as we look at the global war on terrorism, we're looking at that very hard right now. I mean, some facts are these. The Congress of the United States has enabled us and the United States Army to exceed our end strength by 2 percent. That's about 10,000. And we've 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've needed another 30,000 just to protect our critical infrastructure in

the United States and overseas. So that's 40,000 that we need just to do normal business. That would tell you that the active component is being strained by that all alone, much less our recent commitment to Iraq.

So we're taking a hard look at this. We've identified a number of spaces that we believe we can convert from military to civilian, and we're studying that right now. It's 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'll 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 haven't determined that yet until we finish our analysis. But I agree with you that our force is stressed. That's obvious. And we are very dependent on the Reserve components, the National Guard and the United States Army Reserve, to do our business.

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

SEN. 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're 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 it.

One of the other things that you've got to crank into your calculations is the fact, what is the role of the Guard? Right now we're 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're looking at a \$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 of dispatch, to make those decisions.

Thank you, Mr. Chairman.

SEN. LUGAR: Thank you very much, Senator Nelson. Senator Voinovich.

SEN. GEORGE VOINOVICH (R-OH): Thank you, Mr. Chairman.

Mr. Wolfowitz, I want to tell you that I was very impressed with your presentation today. It's very encouraging to me. I hope it's 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's 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, 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, how long, how much. I know there are some uncertainties, but I think if you can figure out a conservative number and share with us, I think it will eliminate some of the problems that you're having with some of the members of this committee and other members of Congress.

I was pleased that you were saying that you're doing better than you do in Kosovo. And as you know, that's the area that I've concentrated on. I want to tell you, I was very disappointed, Secretary, 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're going to be there and what our commitment will be. And I'd like to get that information.

I'd also like to say that I share Senator Nelson's concern about the National Guard and the deployment. I know that you've clarified for our regular troops when they're coming home. I wonder if we've clarified for the Guard and reservists when they're going to come home. Also we need to consider what impact this whole thing is going to have on our force structure. Should we re-evaluate the way we're looking at our responsibilities and the role of the National Guard and our reservists in that?

The other issue deals with the same thing. Secretary Rumsfeld has represented that we're going to have a lot more troops from all these countries. I know that we've asked India to participate. They indicate that they don't want to participate until we have a U.N. resolution.

I'd 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'd certainly like to see one, provided it doesn't put limitations on what Ambassador Bremer and our people can do in Iraq that are crucial to speeding up the 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's harder -- to try to get some stability into numbers for the Guard and Reserve. I need to say especially, Senator Alexander, we are deeply grateful personally to the magnificent support we got on my trip from members of the Tennessee National Guard, who flew us around Iraq. And I was very unhappy to learn how many months they've been on active duty, and I promise them to try and 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're coming home or when they're coming off active duty and to give them some certainty, even if it's a relatively long period of time, they're prepared to work to. And we're trying to put some of that into the system.

SEN. VOINOVICH: We're getting a lot of letters every day from -- **MR. WOLFOWITZ:** I can imagine you are. We do, too.

SEN. VOINOVICH: -- people saying, "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 some 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 uniformed people that could well be done by civilians -- the estimates are up to maybe 320,000 -- that could relieve some of the overall stress on the force.

SEN. VOINOVICH: Now, one of the things also, if the Guard is so involved -- General Keane, I've written and asked about our National Guard in Ohio. When 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 and we don't have the helicopters that they can fly to reinforce the training that they've received.

And so it seems to me that if the Guard is going to be part and the reserves, then we ought to give them the equipment to make sure that they're trained up and ready to go and not have to go through this fumbling around that I've been going through the last several years trying to get some attention paid to our units in Ohio.

I'll just finish up on this note. I want you to know that I think it's 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 the resources to get the job done. It's important to those of us that are here today, but it's 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 we'll do whatever we can to make it possible. I know we've got a lot of things here in this country, priorities that need to be addressed. But we have to have a safe world. And I don't want my children and grandchildren living under the cloud that they're under right now.

MR. WOLFOWITZ: Thank you, Senator. That is the way I feel and I think it's the way our troops feel.

GEN. KEANE: We agree, sir. 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 there as well.

And while we've 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've completed this week a much smaller organization, some of which do come from the National Guard and reserves, that replace the combat support and combat service support troops. Those are the theater support troops for the combat formations.

All the details for 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.

SEN. VOINOVICH: Thank you.

SEN. LUGAR: Thank you very much, Senator Voinovich. The chair would just note that we are probably close to a roll-call vote, but we are going to have five 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.

SEN. JON CORZINE (D-NJ): Thank you, Mr. Chairman. I appreciate you holding this hearing. I want to premise what I'm going to say by echoing what my colleagues have said. We're all proud of the American troops. It's extraordinary their courage and commitment.

I also want to echo what Senator Voinovich said. I think we're 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've taken on.

But I have a -- 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're 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 that 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's happening -- what I hear today doesn't 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 to the American people. But it is very real -- 11 in the last five days. It's not clear to me, based on reading the Hamre report and any kind of discussion we've had today, whether that is Ba'athists, whether it's outsiders or it's criminal organizations that are organizing themselves for a long-run haul in committing crimes against the Iraqi people and for their own purposes.

The idea that we can't come up with a base line -- everyone knows in budgets that you have base lines and extreme outer elements with regard to cost. To not have some idea of where we're going with regard to the cost of this to the American people so that we can make the judgments about how much we're 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 don't relate it in a composite way, the way we argued so fully at the start of this hearing, in the 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? Or do you have a different view? Because what I heard today was different. I can go line by line through this report, the potential use of force by multiple internal and external players, serious security breaches, challenge U.S. confidence and undermine U.S. credibility, rising economic insecurity.

This was a hearing about the status and prospects for reconstruction of the resources necessary. In all fairness, I'm 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 women in New Jersey have died. I don't 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's 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, and I think they're large.

I think the security problem is large. I hope I didn't minimize it. That Americans are getting killed is very bad. That the numbers have been going up is very bad. And to some degree there's 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're making substantial inroads in getting at that Ba'athists infrastructure that is responsible, in their view, for funding most of the attacks on us.

The one thing I could say, in answer to your question, it's not random violence that is our problem. And, in fact, of all the incidents I can think of over the last month or so, there's only one which was serious where some British troops were killed in a small town that clearly had an independent local cause. Most of it seems to be this pattern of mid-level Ba'athists 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's a most unusual tactic. I don't know it in previous guerrilla wars. It is a serious problem. But we think we have a strategy to deal with it. If that strategy looks like it's not working at some point, we'll come back and talk about it.

But the people dealing in the most difficult parts of the country -- General Odierno in the Fourth Infantry Division, General Dempsey in Baghdad itself, and even General Blunt (sp), who has, in many ways, unfortunately, the Third ID, which had the toughest fight going north, also ended up with the toughest area of the country, out near Fallujah, 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 on 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're going to win, then it becomes very difficult to win. But I think the most dramatic evidence of the last 10 days was getting those two miserable creatures who did so much to that country. And it's not just because it's satisfying to be rid of them. It's because it means so much to the Iraqi people. And even in the predominantly Sunni city of Baghdad, people were shooting off for two and a half hours afterwards in celebration.

SEN. CORZINE: Mr. Secretary, just my read of the Hamre report says that there are external sources of violence, there are criminal organizations that are independent of the Ba'athist activities, and many of these are the potential for or party to the violence we're seeing now. And I just --

MR. WOLFOWITZ: Senator --

SEN. CORZINE: -- if we only frame it in certain ways, and that's why I think it's so -- if we only look at in the context of the two brothers, then I'm not sure that we're looking at it at least the way I've read, and addressed, or thought I was addressing --

MR. WOLFOWITZ: Okay. 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's no question about that. There are other problems. There is, and I think someone alluded -- referred to it specifically -- there is the danger, if we don't 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's why -- one of the important reasons why training an Iraqi police force is so important. And yes, I cited Mosul as an example of success. I didn't mean to suggest that it's -- very 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 don't have success, we're able to m!

ove 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's success we can reinforce it. And I'd much rather be in our position than the people who are trying to defeat us.

SEN. CORZINE: And make sure we have the credibility to speak to the American people on this issue.

SEN. LUGAR: Thank you very much, Senator Corzine. Senator Alexander.

SEN. LAMAR ALEXANDER (R-TN): 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 United States Senate thought so too, by a big vote. I think the war was a lot better planned than the peace, and we've talked about that here, and we're getting beyond that. I'm 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, the 75,000 police being trained, about the battalions 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'm prepared, now that we're 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 -- two questions, and I'll ask them both at once and see if there's any reaction, and they're a little different than what we've talked about so far. One has to do with our forces, lessons have learned -- lessons that we've 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've found. That's an example of an America that's very open and straightforward with people. But here are my questions.

One, on forces in the field, we invented special forces years ago in our services to deal with some different sorts of situations, and they've come in awfully handy, and we've not integrated them into our regular army and regular -- regular forces. I know we have civilian affairs people in the army, but aren't we 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's been doing in the last few weeks. And one of the disciplines of the army, I know, is that, you know, we train for what we do. We train, and we train, and we train for what we do. And we're doing some things that our forces aren't trained for, and should we not consider some training for those situations.

And then my second question -- I'll ask them both at once -- it has to do with what happens at home. I'm glad to hear that you're going to be saying when troops are coming home. That's the most important thing, 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 higher priority a focus on the families at home, such things that we don't hear as much about -- child care, 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're seniors 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're -- while we're here.

GEN. KEANE: Senator -- and we completely agree on the use of special forces. We have -- we are committed right now with a significant number of our forces to Iraq, as they are in Afghanistan. And what they're able to do for us is much of the work 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's literally dealing with people on the street. And our special forces have increased training capacity to do that, and you're absolutely right. So, we're using them to the best of our ability. And they are stretched in terms of the commitments that they are making to Afghanistan, to the Philippines, and now to Iraq. But they're doing very good work. And we're sending over the 82nd Airborne Division to replace the Third 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, and to g!

et at the very issue that you're talking about, because 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're 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're not as well trained for that as some of our other forces, as are special forces and civil affairs. The problem we have is those forces' numbers is finite, and they are smaller in number than the requirements that we have, and that's the challenge 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 the United States military has is, 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 for the needs of the family, from education to spiritual development, to child care, to recreational activities, is the challenge that we have been facing for a number of years, and we've enjoyed the support of the Congress in doing that. We've put an enormous amount of attention on this issue, not just when our forces are deployed, in which we are currently doing, but every single day, and we work very hard at it. We're !

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, and 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're like soldiers themselves in terms of their own sacrifice and dedication to their loved one and also to the organizations that their loved on is in. And we just -- have just enormous pride of how they respond to the challenges that we're asking from the United States military.

SEN. ALEXANDER: Thank you. SEN. LUGAR: Thank you very much, Senator Alexander.

SEN. BIDEN: Mr. Chairman?

SEN. LUGAR: Senator Biden.

SEN. BIDEN: Mr. Chairman, if I could just briefly close my comments by saying that there was an article in the Philadelphia Inquirer on the 13th of -- two weeks ago -- it said, "A small circle of civilians in the Defense Department who dominated the plan for post-war Iraq failed to prepare for the setbacks that have erupted over the past two months." Based on the testimony I hear today, I think we're making the same mistake again. I think you're failing to prepare for what is the reality on the ground. I no more agree, just for the record, with your assessment that Iraqi -- 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'd vote to do it again. And it seems to me the failure of Iraq could 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's 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. And it's also going to close, as my friend Senator Corzine was implying, in terms of American public opinion if we don't start

to level with them. Our credibility as a nation is at stake right now, and I think you're going to lose the American people if you don't come forward now and tell them that you know it's 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'll also point out that you need cops now, you need a different mix of troops now, and I didn't hear anything today to indicate that you're 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're understating the problem again. We can do this. We can win this. We can win the peace, but you better start to tell the American people now or they're not going to be around. They're not going to be around. They're going to be asking us to bring the boys and girls home, which would be a tragic mistake. So, level with them. Billions of dollars, tens of thousands of troops. I'll vote for it. I'll support it. I'll stay with you. The president has to tell them now. Now. Now. Now.

SEN. LUGAR: Well, let me thank all the senators. I thank the witnesses, especially for your testimony, staying with the hearing. We are at the end of the roll call 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's very important -- the State Department role in this is crucial -- I think those numbers don't quite portray what the balance is, because --

SEN. LUGAR: Please supplement the record, and it will be included.

MR. WOLFOWITZ: Thank you.

SEN. LUGAR: I thank you all very much. The hearing is adjourned.

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