

# U.S. POLICY TOWARD IRAQ

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HEARING  
BEFORE THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED EIGHTH CONGRESS  
FIRST SESSION

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## U.S. POLICY TOWARD IRAQ

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THURSDAY, SEPTEMBER 25, 2003

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Committee met, pursuant to call, at 4:08 p.m., in Room 2172, Rayburn House Office Building, Hon. Henry J. Hyde (Chairman of the Committee) presiding.

Chairman HYDE. The Committee will come to order.

Unfortunately, I must open on a sad note. I know I speak for all Members of this Committee in expressing our condolences regarding the death of Akila al-Hashemi, a member of Iraq's governing counsel. Miss al-Hashemi was murdered because she had stepped forward to help her country shed its legacy of dictatorship and to rejoin the community of civilized nations. There are those who would use murder and terror to prevent the establishment of a new Iraq, freed from fear and dictatorship. But they can't succeed as long as the Iraqi people are committed to the revival of their country, and are unwilling to submit to the reimposition of the chains of the past. This dedicated person—this brave woman—should be an inspiration to us all.

It is now my pleasure to welcome to the Committee Ambassador Bremer. We have already had the benefit of your testimony in a previous closed session of the Committee, and we look forward to your remarks this afternoon.

I believe everyone here today, whether they support or oppose our policies in Iraq, understands the scale of difficulties that you face in your task of reviving a country devastated by decades of dictatorship and creating the foundation for a government capable of providing its citizens with freedom and security.

The availability of resources for such a monumental task cannot but be inadequate. There is no sector of Iraqi society that is without its gaping needs.

The Administration has asked for additional appropriations to ensure that our efforts in Iraq have a chance at success, and we are all eager to learn more about your plans for their use. The responsibility for rebuilding Iraq belongs, of course, ultimately, to the Iraqi people, but we must ensure that our policies in Iraq have the necessary resources if they're to be successfully implemented. As the saying goes, failure is not an option.

My assumption is that you would be the first to agree that not every decision has been perfect, not every problem has been foreseen, nor every forecast has proven accurate. I doubt that any blueprint exists, or ever could exist, that could anticipate all the obsta-

cles to be encountered and prescribe the remedies to be taken. Similarly, no reasonable person would deny that public debate in a free society is not only permissible, it is essential.

I've expressed concerns regarding many aspects of our policies in Iraq and will continue, but I have been encouraged by the Administration's obvious interest in listening to differing voices regarding what is the best course and adapting its policies in response, and I am pleased to note that you have been a conspicuous example of that receptivity to serious discussion.

Nevertheless, many critics appear to be demanding a standard of perfection I doubt they would be eager to have applied to themselves.

I am blessedly shortening my statement, so I am passing page after page.

We're constantly bombarded with the demands that the UN be given a greater role. I have not seen a serious proposal advanced of how this would actually be accomplished, other than by the UN's taking an outsized role in determining how *our* resources and *our* forces would be used to implement goals not of our choosing.

I can't imagine that the American people would react positively to such a proposal, but I will gladly leave to others the burden of selling such a novel idea. Nevertheless, I would hope the UN and its advocates might soon provide an actual plan of action so that a little substance might be mixed into their assertions.

By the way, I can't help but wonder if France erred in 1944 by not insisting that we secure the imprimatur of the League of Nations prior to landing at Normandy. As a further aside, I don't recall anyone in the days after Pearl Harbor asking President Roosevelt how much he planned to spend on winning World War II, which included the European Theater and the Pacific Theatre, or what his timetable was for bringing the troops home.

It's an unfortunate reality. The world long ago became accustomed to the idea that dealing with any problem, anywhere, rests almost entirely with the United States. Often, it's regarded as ours alone. No other country need offer anything, not even mild applause, for participation imposes costs and risks and the calculation has usually been that there's more to be gained from standing back and allowing the U.S. to bear these costs and risks alone. No one would be happier than I to see France or Germany or the UN or any other power take on the responsibility of ensuring freedom and stability in some wretched corner of our globe, of bravely combatting our common threats, of leading by example, but I am afraid the rollcall of those accomplishments remains blank. Even on the continent of Europe itself, home of our most unrelenting critics, we are still the guarantor of security for all.

It is an astonishing fact that not only have we freed the Iraqi people from Saddam Hussein's vicious dictatorship and liberated the entire world from the menace that he presented, but that we have had to do so virtually alone, relieved only by our British allies and the few brave others standing with us. Far from receiving assistance, we are proceeding under a hail of stones, thrown by countries which have previously benefited from our unilateral actions, our unwillingness to wait for others to brave the dangers, our re-

fusal to surrender our fate and their fate to darkness. Many owe their very freedom to us.

It is said by many that we have no option in Iraq, but that is untrue. We always have options, responsible and irresponsible. I, for one, am grateful we've chosen the responsible one and hope that we have the endurance, despite all perils, to complete our task, even if we must do so alone.

[The prepared statement of Mr. Hyde follows:]

PREPARED STATEMENT OF THE HONORABLE HENRY J. HYDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, AND CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

It is my pleasure to welcome you to the Committee, Ambassador Bremer. We have already had the benefit of your testimony in a previous closed session of the Committee, and we look forward to your remarks this afternoon.

I believe that everyone here today, whether they support or oppose our policies in Iraq, understands the scale of the difficulties you face in your task of reviving a country devastated by decades of dictatorship and creating the foundation for a government capable of providing its citizens with freedom and security.

The available resources for such a monumental task cannot be but inadequate, as no sector of Iraqi society is without gaping need. The Administration has asked for additional appropriations to ensure that our efforts in Iraq have a chance of success, and we are all eager to learn more about your plans for their use. The responsibility for rebuilding Iraq belongs, of course, to the Iraqi people, but we must ensure that our policies in Iraq have the necessary resources if they are to be successfully implemented. As the saying goes: Failure is not an option.

My assumption is that you would be the first to agree that not every decision has been perfect, not every problem has been foreseen, not every forecast has proven accurate. I doubt that any blueprint exists—or could ever exist—that could anticipate all of the obstacles to be encountered and prescribe the remedies to be taken. Similarly, no reasonable person would deny that public debate in a free society is not only permissible, but essential. I myself have expressed concerns regarding many aspects of our policies in Iraq and will continue to do so when appropriate. But I have been encouraged by the Administration's obvious interest in listening to differing voices regarding what is the best course of action and adapting its policies in response, and I am pleased to note that you have been a conspicuous example of that receptivity to serious discussion.

Nevertheless, many critics would appear to be demanding a standard of perfection that I doubt they would be eager to have applied to themselves. I fear that some of the more strident statements may be tainted by political considerations that could have the unfortunate effect of distorting their authors' true beliefs. Personally, I find that individuals who deliver their messages by shouting are often very difficult to understand, and I am never quite certain of just who is their intended audience.

Of course, we must hope that the international community will soon take up its responsibilities for assisting in the reconstruction of Iraq, and the Administration deserves much credit for its efforts to secure that participation. But, unless I am mistaken, virtually none have seized the opportunity to do their share. Have our severest critics, such as France and Germany, put forward a workable plan of their own or pledged any significant resources of their own?

The only assistance that I am aware of their having offered is to accord themselves a prominent role in decision-making but without assuming any risks or shouldering any costs. Their intended contribution apparently would be limited to telling us how we may or may not use our own resources and our own forces for carrying out their instructions.

If I have inadvertently overlooked an actual contribution on their part or have missed a constructive plan that they are prepared to implement—and I am confident that everyone here would agree that a list of criticisms from the sidelines does not amount to a plan—I would welcome any information on these subjects being brought forward.

I should also make the same request regarding the United Nations. Any serious person must give great weight to a comprehensive plan put forward by the UN in which the organization and its members would assume the direct responsibility for rebuilding Iraq, including providing the bulk of the resources needed for reconstruction and the forces necessary to guarantee order.

We are constantly bombarded with demands that the UN be given a greater role, but again, I have not yet seen a serious proposal advanced of how this would actually be accomplished other than by the UN's taking an outsized and unearned role in determining how our resources and our forces would be used to implement goals not of our own choosing.

I cannot imagine that the American people would react positively to such a proposal, but I will gladly leave to others the burden of selling that novel idea. Nevertheless, I would hope that the UN and its advocates might soon provide an actual plan of action so that a little substance might be mixed into their assertions.

By the way, I cannot help but wonder if France erred in 1944 by not insisting that we secure the imprimatur of the League of Nations prior to our landing at Normandy.

As a further aside, I do not recall anyone in the days after Pearl Harbor asking President Roosevelt how much he planned to spend on winning World War II or what his timetable was for bringing the troops home.

It is an unfortunate reality that the world long ago became accustomed to the idea that the responsibility for dealing with any problem anywhere rests almost entirely with the United States. Often it is regarded as ours alone. No other country need offer anything, not even mild applause. For participation imposes costs and risks, and the calculation has usually been that there is more to be gained from standing back and allowing the United States to bear these costs and risks alone.

I am certain that the leadership in these countries understand that no matter how unrelenting their criticism, no matter how strenuous their efforts to hobble us, no matter how irresponsible their actions, they will continue to be the beneficiaries of our actions. By shielding them from their own folly, we have liberated them from the consequences of their own actions, and from their inaction. There is a child's view of the world, but I am sorry to say that it is as much our failing for having allowed it to develop as it is theirs for believing it.

No one would be happier than I to see France or Germany or the UN or any other power take on the responsibility of ensuring freedom and stability in some wretched corner of our globe, of bravely combating our common threats, of leading by example. But I'm afraid that roll call of accomplishments remains blank. Even on the continent of Europe itself, home of our most unrelenting critics, we are still the guarantor of security for all.

It is an astonishing fact that not only have we freed the Iraqi people from Saddam Hussein's vicious dictatorship and liberated the entire world from the menace he presented, but that we have had to do so virtually alone, relieved only by our British allies and the few brave others standing with us.

Far from receiving assistance, we are proceeding under a hail of stones thrown by countries which have previously benefitted from our unilateral actions, our unwillingness to wait for others to brave the dangers, our refusal to surrender our fate and their fate to darkness. Many owe their very freedom to us.

It is said by many that we had no option in Iraq, but that is untrue. For we always have options, both responsible and irresponsible. I, for one, am grateful that we have chosen the responsible one and hope that we have the endurance, despite all perils, to complete our task, even if we must do so alone.

Chairman HYDE. And now it is my pleasure to yield to the distinguished gentleman from California, Mr. Lantos, for his opening statement.

Mr. LANTOS. Thank you very much, Mr. Chairman. First, I want to thank you for calling today's important hearing on Iraq. I would like to begin by extending my warmest welcome to Ambassador Paul Bremer, who is doing an exceptional job under the most difficult circumstances.

Mr. Ambassador, this Congress and this country are deeply in your debt, and we are fully conscious of the enormous difficulties you face and the extraordinary skill and courage with which you have carried out your task.

Thank you for your service to our Nation.

Mr. Chairman, I fully agree with you that failure is not an option, and, at times, I wonder how many in our land expect omniscience and clairvoyance as we look months ahead for the balance of this year and next year in Iraq.



There is an expectation of quick and easy solutions, which, of course, flies in the face of reality.

You made reference to Franklin Delano Roosevelt and Pearl Harbor. I had occasion in recent times to be both in France and Germany, where I suggested that, perhaps, Monsieur Chirac should go down to the Normandy beaches, get down on his knees and thank the Lord for the young American men who gave their lives for the freedom of France as he looks at the endless rows of marble crosses and Stars of David representing the graves of our brave young soldiers of 1944. Or Mr. Schroeder, who should thank the United States for a few things we have done for Germany; saving Germany from Hitler, providing Germany with the largest philanthropic project in human history, the Marshall Plan, providing the German people with two generations of our protective military umbrella under NATO, seeing to it that the Soviet Union left East Germany and, finally, unifying Germany. But apparently gratitude is not a virtue of statesmen.

Mr. Chairman, there are two issues I would like to deal with, and I don't expect Ambassador Bremer to answer them, because they are, in a sense, above his pay rate. The two issues are the issues of lack of shared sacrifice as we conduct the war in Iraq, and what to me is the counterproductive and irrational opposition of the Administration to having loans, rather than grants, deal with reconstruction expenses.

Mr. Chairman, the September 11 tragedy, the war in Afghanistan, and now the war in Iraq, should have shocked our Nation into a period of shared sacrifice, and, to be sure, our young servicemen and women did not hesitate to go to war to protect America's national security interests.

Each morning, when our soldiers pull on their boots and head out into the streets of Iraq's cities, towns, and villages, they are putting their lives at risk so that the Iraqi people and ultimately the people of the entire Middle East, as well as the United States, will have a secure, stable, and prosperous future.

Meanwhile, their families back home have made enormous personal and financial sacrifices. For the families of reservists serving in Iraq, the kids had fewer back-to-school clothes this year because family income dropped precipitously. The parents left behind must struggle alone to make a living and raise a family.

Despite these enormous sacrifices by our men and women in uniform and by their families, we have asked our Nation's richest Americans to make no sacrifice whatsoever. On the contrary, this Congress granted them an enormous tax break. Some Americans sacrifice and serve. Others reap a windfall.

For this reason, Mr. Chairman, I have joined Senator Joe Biden, our colleague and the senior Democrat on the Senate Foreign Relations Committee, in introducing legislation to reduce the tax breaks given to the wealthiest 1 percent of Americans. The money saved in 1 year could be used to pay for the \$87 billion supplemental for our Armed Forces in Iraq and for Iraq's reconstruction.

I urge all of my colleagues to join me in supporting this legislation.

In addition, Mr. Chairman, I have sent a letter to President Bush, indicating they'll initiate an amendment to the supplemental

appropriations bill to require that funding for the reconstruction portion of the supplemental, some \$21 billion out of a total of \$87 billion, be extended to the Iraqi people as a loan, not a grant.

There is no doubt the reconstruction effort in Iraq, particularly regarding infrastructure for the oil and gas industries, water and electricity, are matters of the greatest urgency, but these reconstruction costs will increase Iraq's economic resources, so it can and should repay these costs.

Iraq, Mr. Chairman, has the second largest reserve of oil in the world, after Saudi Arabia. It is not a wealthy country, now, but it will be in coming years. Therefore, rather than providing our money gratis, it is imperative that the \$20 billion for reconstruction be offered to Iraq as a long-term loan against future oil sales.

Iraq currently owes some \$200 billion and its principal creditors are Russia, Japan, France, and Germany. Most of the loans to Iraq, Mr. Chairman, were given to Saddam Hussein for weapons and for building grand palaces. It sticks in my throat and it sticks in the throats of my constituents that we should provide \$21 billion in grants to rebuild their infrastructure, while debt incurred for destructive and evil goals must be repaid in full.

Mr. Chairman, by funding all or part of Iraq's supplemental, by reducing tax cuts for the rich and by pursuing loans rather than grants to Iraq, I believe this important measure will enjoy much stronger bipartisan support, both in the Congress and in the country.

I would urge the Administration to carefully examine these proposals and, most importantly, to understand that shared sacrifice is an absolute necessity in these times of great challenge. I admire Ambassador Bremer's work. I have the greatest respect for him. He doesn't set tax policy, and I am not asking him to comment on my proposal, but I am calling on the President and calling on our Republican colleagues to seriously consider these proposals.

If we, in the Congress, move in the direction of recognizing that our reconstruction funding for Iraq should be a loan to be repaid from future Iraqi oil revenues, and if we see to it that the wealthiest Americans pay a portion of the cost, the breadth of the support for the supplemental will dramatically increase.

I had the proud privilege of managing the Democratic side on the war resolution. I am glad I did. I support your effort, Ambassador Bremer, today as I did before you were appointed to this post, but I think it is unreasonable to expect the American people to support this effort unless shared sacrifice at long last becomes the dominant theme of what we expect of the American people. Tax cuts for the wealthy and demanding service from our military are incompatible.

Secondly, I see no reason why we should not expect Iraq, which will be a wealthy country, to repay the cost of building up its infrastructure.

Thank you, Mr. Chairman.

Chairman HYDE. Thank you, Mr. Lantos, for very stimulating thoughts and very interesting ideas.

All Members, by unanimous consent, may put their statements in the record at this point, and we will proceed with our witness.

We welcome the Honorable L. Paul Bremer, III, who was appointed Administrator of the Coalition Provisional Authority in post-war Iraq by President Bush in May of this year. Ambassador Bremer is a man of enormous experience, as one of the world's leading experts on crisis management, terrorism and homeland security. He served on the President's Homeland Security Advisory Council, and also served as special assistant to six secretaries of state.

In addition to numerous overseas assignments as Ambassador and Deputy Chief of Mission, he served as Executive Secretary of the State Department and was President Reagan's Ambassador-at-Large for Counterterrorism.

I agree with every word Mr. Lantos said, insofar as it was praising you and your good assistant, Mr. Slocum—I was going to say we got to sequester everything there.

Mr. Korologos, it is good to see him there, too. I especially admire his hair.

In any event, Ambassador Bremer, you may proceed.

**STATEMENT OF THE HONORABLE L. PAUL BREMER, III,  
AMBASSADOR, PRESIDENTIAL ENVOY TO IRAQ**

Ambassador BREMER. Thank you, Mr. Chairman. I know you recognized that Mr. Korologos had a nice head of brown hair when he came to serve me in Baghdad, 3 months ago.

Mr. Chairman, Mr. Lantos, thank you for this opportunity to appear before you on behalf of the President's request.

Before I begin, I want to pay tribute to the men and women of our Armed Forces who won a magnificent victory, thanks to the support of many people here in Congress. In 3 weeks, they liberated a country bigger than Germany and Italy combined with an army smaller than that of the Army of the Potomac. It was really a magnificent—magnificent operation.

Mr. Chairman, I will try to follow your example and skip through some parts of my statement but ask that the full statement be entered in the record.

Chairman HYDE. Without objection.

Ambassador BREMER. I know how unsettling it is for any Member of Congress or any American to wake up to the news that another American has been killed in combat in Iraq. Since I am 8 hours ahead of you, I get that news before you and nobody regrets it any more than I do. But these deaths, Mr. Chairman, are not the senseless deaths that they are sometime portrayed as in the press. They are part of the price we pay for fighting for civilization and for fighting against terrorism. Those who ambush the coalition and those who kill people like my friend Dr. al-Hashemi, who died overnight, are trying to stop us from putting a constitutional democratic and peaceful Iraq in place, and Mr. Chairman, they may win a battle from time to time, but they are losing the war with history.

They are on the wrong side of history. President Bush has a clear vision for Iraq that has three components, an Iraq made more secure through the efforts of Iraqis, an Iraq with an economy based on sound economic principles and based on a coherent infrastruc-

ture, and an Iraq that is democratic and sovereign and at peace with its neighbors.

If we fail to create that kind of Iraq, a sovereign democracy sustained by a solid economy, we will be handing the terrorists a gift. We must deny terrorists the gift of State sponsorship, which they enjoyed for decades, years, under Saddam Hussein, and must deny them the chaos in countries such as they thrived on in Lebanon and subsequently Afghanistan.

Creating a sovereign democratic constitutional and prosperous Iraq deals a blow to terrorists, and that is why this request from the President has to be seen as an important element in the war on terrorism.

Mr. Chairman, our national experience teaches us that it is not enough to win a military victory. We have to consolidate the victory by winning the peace.

It wasn't always so obvious to us. After the First World War, we wanted to solve our problems at home. We kicked the dust of the old world off our boots, and we went home and we said, "Pay us back our debts," and we know what happened.

The situation gave rise to chaos, tensions, Fascism in Italy, Nazism in Germany, and a Second World War. The good news is we learned that lesson, and after the Second World War, we showed that you knew you had to have a program to secure the peace after winning the military victory. In 1948, America's greatest generation responded with the boldest, most generous most productive act of statesmanship of the last century, the Marshall Plan. The Marshall Plan was enacted, Mr. Chairman, by both Houses of Congress with overwhelming bipartisan support. It set war-torn Europe on the path to freedom and prosperity, the freedom and prosperity which Europeans all over Europe, from the Atlantic to the Urals enjoy today.

After 1,000 years at the cockpit of war, Europe has become the cradle of peace in two short generations, a truly remarkable achievement of American statesmanship. The vision the President has for Iraq is of an equal grandeur and it can, as Congressman Lantos said, establish a much safer region for us if we get it right. A stable, peaceful, economically productive Iraq serves American interests and makes America safer.

Let me make a few points about the plan and the supplemental that is before the Congress: We have a plan how to execute this supplemental with milestones and metrics, but, as you said, Mr. Chairman, we need to be flexible. We are in a very fast-moving situation in Iraq, and my motto is strategic clarity and tactical flexibility. We have to be prepared to modify our plan as we go along.

None of us is omniscient; and as you have said, we will no doubt make mistakes, and we will continue to make mistakes, but we will be right more than we are wrong. Secondly, no one part is more important than another part. They complement each other, as I hope to explain in a minute. Thirdly, this is urgent. It is quite obvious to anybody who thinks about it that there is urgency involved in the military part of this supplemental, but it is also true on the economic assistance part. Most Iraqis welcomed us as liberators. Indeed, a Gallup Poll that was just released yesterday shows that almost two-thirds of Iraqis continue to say that getting rid of Sad-

dam makes the sacrifices of the war and its aftermath worthwhile, and there has been a virtual explosion of freedom in Iraq since we arrived.

But even so, the reality of having foreign troops on your soil is not pleasant, and so we need to move quickly to try to show the population that we are also going to make their daily life better, get the economy going, and that is one of the purposes of this supplemental. Early progress here gives us an edge in restoring security.

The President's plan indeed puts its first priority on security in three areas, public safety, building police, border police, facilities police. Secondly, national defense, moving much more quickly to establish a new Iraqi Army and a civil defense corps; and thirdly putting in place an effective fair justice system with courts and prisons and lawyers.

I think, Mr. Chairman, this security assistance, part of the program which totals about \$5 billion, serves American interests very clearly in four specific ways: First, Iraqis will be more effective than we can be as they take over more of the security. No matter how good our coalition forces are, nothing can be better than an Iraqi policeman on the beat who knows his neighbors, knows their people, knows their customs, their languages, their rhythms, and can find out who doesn't belong there and tell us.

Iraqis want Iraqis involved in their security, and so do we. Secondly, these Iraqi security forces will take over duties that sometimes cause friction between our forces and the population, conducting searches, manning checkpoints, and so forth.

Thirdly, that frees up coalition forces to do things they do best, the kind of mobile sophisticated operations that are needed to fight terrorists and former regime loyalists. And finally, as these new Iraqi forces come on stream, if the supplemental is approved, it will reduce the overall security demand on the coalition forces and allow us to bring our men and women home sooner. But a good security system cannot exist on the knife edge of economic collapse. It is not enough.

Saddam left behind an economy that was ruined, not by our attacks but by decades of negligent, theft, and mismanagement. The Iraqis must refashion their economy from the Soviet style command economy Saddam left them. Important changes have already begun. Mr. Chairman, you may have read last weekend that the new Iraqi minister of finance in Dubai announced the approval of the most sweeping foreign domestic law, foreign investment law in the region, allowing 100 percent foreign investment in the country—and all you have to do is register, for complete and immediate repatriation of profit and capital.

Foreign firms, including banks, now can come in and compete. They also introduced a very simple tariff policy. There is a 5 percent reconstruction tariff across-the-board, except for children and clothing and food and pharmaceuticals. This will help refinance some of the reconstruction.

Mr. Chairman, what's happened here is the Iraqi government has put in place the legal infrastructure necessary for economic growth for the creation of a vibrant private sector. We need to be sure that there is in place the infrastructure, the essential services,

so that this vibrant private sector can takeoff, and that is where most of the remaining \$15 billion will be applied, to these essential services and the infrastructure.

In the area of the President's vision for a democratic Iraq, there is good news.

First of all, some 85 percent of all Iraqi towns and cities now have elected town counsels or city counsels. Democracy is on the move in Iraq and it is on the move where it needs to be on the move, at the grassroots level. We have encouraged a quick political transformation and have laid out a clear seven-step path to Iraqi sovereignty. Under international law, we exercise sovereignty until there is a sovereign Iraqi government. Three of the seven steps toward the time when we can hand over sovereignty have already been taken. We hope the next four can be taken quickly in the period ahead. Certainly, nobody wants that to move more quickly than we do, but the path to full Iraqi sovereignty cannot be strewn with shortcuts. There are no short-cuts to putting in place the requisite structures, particularly the constitutional and legal structures.

We, after all, are a country which took 12 years to get our Constitution right. This is a country with no experience in democracy or representative government, and we have to let them get a good written constitution and hold elections on the basis of that constitution before we can hand over sovereignty. There is no shortcut. As you look over the President's plan, I think you will see that every part depends on the other parts. The need to protect the coalition and populace alike against terrorists and criminals alike is obvious. The United States must take the lead now in showing the world that we want a free and democratic Iraq.

There is an international donor's conference coming up in Madrid at the end of October, and we need to show an example to the world by showing what we are prepared to do. When we launched military operations against Iraq, Mr. Chairman, we assumed a great responsibility that extends beyond defeating Saddam's military. Just as when we defeated Nazi Germany or Tojo's Japan, we assumed a great responsibility for their recovery, and make no mistake: These requested funds represent an investment in America's national security, and, when in the decades hence, the historians look back, they will say that the American people, once again, learned the lesson that it is not enough to have a military victory. You have to secure the peace.

Thank you.

Chairman HYDE. Thank you very much, Ambassador.

[The prepared statement of Ambassador Bremer follows:]

PREPARED STATEMENT OF THE HONORABLE L. PAUL BREMER, III, AMBASSADOR,  
PRESIDENTIAL ENVOY TO IRAQ

Mr. Chairman and members of the Committee, thank you for this opportunity to discuss the President's supplemental request.

Before I begin, I want to pay tribute to the men and women of our armed services. Leading a coalition, our armed forces delivered a military victory without precedent.

In roughly three weeks they liberated a country larger than Germany and Italy combined. And they did so with forces smaller than the Army of the Potomac.

Our armed forces accomplished all this while absorbing and inflicting minimal casualties. Iraqis understood that we tried to spare the innocent.

Mr. Chairman, I know that you and all Americans hate waking up to hear a newscast that begins, "Last night another American soldier was killed in Iraq . . ." I am among the first to know of those deaths and no one regrets them more than I do.

But these deaths, painful as they are, are not senseless. They are part of the price we pay for civilization, for a world that refuses to tolerate terrorism and genocide and weapons of mass destruction.

Those who ambush Coalition forces, who set the truck bombs, are trying to thwart constitutional and democratic government in Iraq. They will win some battles, but they are going to lose their war with history.

President Bush's vision provides for an Iraq made secure through the efforts of Iraqis. It provides for an Iraqi economy based on sound economic principles and bolstered by a reliable infrastructure. And finally, the President's plan provides for a democratic and sovereign Iraq at the earliest reasonable date.

If we fail to recreate Iraq as a sovereign democracy sustained by a solid economy we will have handed the terrorists a gift.

We must deny terrorists the gift of state sponsorship, which they enjoyed under Saddam, and must deny them the chaos such as they thrived in during the 1980s in Lebanon.

But creating a sovereign, democratic, constitutional and prosperous Iraq deals a blow to terrorists. It gives the lie to those who describe us as enemies of Islam, enemies of the Arabs and enemies of the poor.

That is why the President's request has to be seen as an important element in the global war on terrorism.

Our national experience teaches us how to consolidate a military victory.

We did not have that experience we emerged victorious from World War I. Many had opposed the war and wanted to solve problems at home. We won the war and did not consolidate the peace.

We know what happened. Extremism, bred in a swamp of despair, bankruptcy and unpayable debts, gave the world Fascism in Italy and Nazism in Germany—and another World War.

After that conflict we showed we had learned that military victory must be followed by a program to secure the peace.

In 1948 the greatest generation responded with the boldest, most generous and most productive act of statesmanship in the past century—the Marshall Plan.

When Secretary of State George C. Marshall first described the Marshall plan he laid out some truths that resonate today.

"Its purpose," Marshall said, "should be the revival of a working economy" so as to permit the emergence of political and social conditions in which free institutions can exist."

The Marshall Plan, enacted with overwhelming bipartisan support, set war-torn Europe on the path to the freedom and prosperity which Europeans enjoy today. After a thousand years as a cockpit of war Europe became a cradle of peace in just two generations.

The grants to Iraq the President seeks bespeak grandeur of vision equal to the one which created the free world at the end of World War II.

Iraqis living in freedom with dignity will set an example in this troubled region which so often spawns terrorists. A stable peaceful economically productive Iraq will serve American interests by making America safer.

There are some things I would like to point out about this supplemental request:

- We have a definite plan with milestones and dates.
- No one part of the supplemental is dispensable and no part is more important than the others.
- This is urgent. The urgency of military operations is self-evident. The funds for non-military action in Iraq are equally urgent. Most Iraqis welcomed us as liberators. Now the reality of foreign troops on the streets is starting to chafe. Some Iraqis are beginning to regard us as occupiers and not as liberators. Some of this is inevitable, but faster progress on reconstruction will help.

The link to the safety of our troops is indirect, but real. The people who ambush our troops are small in number and do not do so because they have undependable electric supplies. However, the population's view of us is directly linked to their cooperation in hunting down those who attack us. Earlier progress gives us an edge against the terrorists.

- This money will be spent with prudent transparency. Every contract of the \$20 billion for Iraq will be competitively bid.

- It is essential that the money come as a grant and not a loan. Initially, offering assistance as loans seems attractive. But once again we must examine the facts and the historical record. Iraq has almost \$200 billion in debt and reparations hanging over it as a result of Saddam's economic incompetence and aggressive wars. They cannot pay what they owe now, much less take on more debt.

The President's first priority is security and he has a three-element plan.

- Public safety—police, border enforcement, fire and a communications system to link them.
- National defense—a new army and civil defense system.
- Justice system—courts and prisons

This security assistance to Iraq benefits the United States in four ways.

First, Iraqis will be more effective. As talented and courageous as the Coalition forces are, they can never replace an Iraqi policeman who knows his beat, who knows his people, their customs, rhythms and language. Iraqis want Iraqis providing their security and so do we.

Second, as these Iraqi security forces assume their duties, they replace Coalition troops in the roles that generate frustration, friction and resentment—conducting searches, manning check points, guarding installations.

Third, this frees up Coalition forces for the mobile, sophisticated offensive operations against former regime loyalists and terrorists for which they are best suited.

Finally, these new Iraqi forces reduce the overall security demands on Coalition forces and speed the day when we can bring troops home.

Security is indispensable, but by itself is insufficient and cannot endure.

A good security system cannot persist on the knife edge of economic collapse. Saddam left behind an economy ruined not by our attacks but by decades of neglect, theft and mismanagement—he never once prepared a budget.

The Iraqis must refashion their economy from the Soviet-style, command economy Saddam left them. That poor model was further hobbled by cronyism, theft and pharonic self-indulgence by Saddam and his intimates.

Important changes have already begun.

The Iraqi Minister of Finance on Sunday announced a set of market-oriented policies that is among the world's boldest.

Those policies include:

- A new Central Bank law which grants the Iraqi Central Bank full legal independence.
- Foreign firms may open wholly owned companies, including banks, or buy them. Foreign firms receive national treatment and have an unrestricted right to remit profits and capital.
- Tariff policy is simple. There is a two-year "reconstruction tariff" of five percent on most imports and the rest come in with no tariff.
- On October 15, Iraq will get a new currency, the New Dinar, which will float against the world's currencies.

The Iraqi Government has put in place these legal procedures for encouraging a vibrant private sector. But those policies will come to nothing if they do not rest on a sound infrastructure in a reasonable security environment.

We have made significant progress restoring these essential services. The widely predicted humanitarian crisis did not occur. There was no major flow of refugees. All of Iraq's 240 hospitals and 90 percent of its health clinics are open. There is adequate food and there is no evidence of epidemic. We have cleared thousands of miles of irrigation canals so that farmers in these areas have more water than they have had for a generation. Electrical service will reach pre-war levels within a month.

However, the remaining demands are vast, which is why most of the President's request for non-military assistance is for infrastructure programs.

On another front there is already good news. The democratization of Iraq, on which so much global attention is focused, is further advanced than many realize.

Encouraging a quick political transformation, we have laid out a clear, seven-step process leading to sovereignty. Three of the seven necessary steps have been completed:

1. An Iraqi Governing Council was appointed in July.
2. In August the Governing Council named a Preparatory Committee to recommend a mechanism for writing Iraq's new, permanent constitution.



3. Earlier this month the Governing Council appointed ministers to run the day-to-day affairs of Iraq.
4. The fourth step, writing a constitution, frames all that follows. The constitution will be written by Iraqis.
5. The constitution will be ratified by popular vote of the entire adult population.
6. After the constitution is ratified, elections for a new government will be held.
7. The final step will come after elections, when we transfer sovereignty from the Coalition to the new government.

Some, including members of the Iraqi Governing Council, suggest we should give full sovereignty to an Iraqi government immediately or very soon.

I firmly believe that such haste would be a mistake.

No appointed government, even one as honest and dedicated as the Iraqi Governing Council, can have the legitimacy necessary to take on the difficult issues Iraqis face as they write their constitution and elect a government.

The only path to full Iraqi sovereignty is through a written constitution, ratified and followed by free, democratic elections. Shortcutting the process would be dangerous.

As you examine the President's plan I am sure you will see that every part depends on every other part.

The need to protect the Coalition and the populace alike against terrorists and common criminals is obvious and indispensable.

The United States must take the lead in restoring Iraq as a friend and democratic model. There is a donor conference in Madrid in late October. We must set the example for other nations of goodwill and work with them to avoid the near anarchy in which terrorists will feel right at home.

When we launched military operations against Iraq we assumed a great responsibility that extends beyond defeating Saddam's military.

If, after coming this far, we turn our backs and let Iraq lapse into factional chaos, we will have sewn the dragon's teeth which will sprout more terrorists and eventually cost more American lives. Make no mistake. These requested funds represent an investment in America's national security.

You may think I exaggerate. I ask you to look at what happened in Afghanistan, another country which, after it was debilitated by decades of war and mismanagement became easy prey for the Taliban and al Qaida.

The reconstruction of Iraq may seem distant from American concerns today. Eight time zones and two continents separate the East Coast of the United States from Iraq. The West Coast is effectively half a world away.

Iraq only seems far away. Today Iraq is a focal point in our global war on terrorism. Failure there would strengthen the terrorists morally and materially.

All of this requires the help of Congress.

Mr. Chairman and members of the committee we respectfully ask Congress to honor the President's supplemental request, which responds to urgent requirements in order to achieve the vision of a sovereign, stable, prosperous and democratic Iraq at peace with us and with the world.

Mr. Chairman, I welcome your questions.

Chairman HYDE. Mr. Leach.

Mr. LEACH. Ambassador, we had some discussions earlier in the day that indicated that there are some Administration reports that pre-planning for the post-war circumstance may have been inadequate. I personally suspect that is very much the case. But having said that, I want to indicate something that I think this Committee and this country ought to be very aware of, and that is, whether or not we understood exactly what we were getting into or planned perfectly for that circumstance, there is not only great courage shown by American troops, but the American civilians serving in Iraq have to be the most heroic public servants in America today. And I know of no two people who are more targets on a daily basis than you and the gentleman behind you. On behalf of this Committee, I want to make a very partisan observation, and that is that Ambassador Bremer is considered one of the great professional diplomats of our time.

Walt Slocum, who is his deputy, is, I believe, unquestionably, the most competent Democrat in the United States, and we are in your debt—and I might even go further in saying, Walt, you may be the most competent American public official, and so we are honored that you have chosen to serve. This is a very dangerous assignment, and this Committee has to be very appreciative and the American public has to be very appreciative.

Having said that, one of the things that we struggle with as we look at the news is that there is a circumstance that Americans don't think about, because we take it for granted that many other societies think a great deal about, and it is the issue of legitimacy, how a government is made legitimate. The American political system is based on consent of the governed. That is where we derive our legitimacy. When there is intervention in warfare, there is the influence of the outside power, but we have an international map, and the case for internationalization of certain civilian leadership is very high until sovereignty is achieved. Whether it is fair to America, or not, the fact of the matter is the rest of the world doesn't want to share in a circumstance in which they don't play a role.

We struggled a lot with the question as a Congress, and as a government and as a people, with the role of the United Nations in the war-making function.

There is a separable issue, with regard to the peacemaking process, and I personally believe that the case for bringing in outside people is going to involve a certain reduction in our role on the civilian side; and there is an unfairness in some way on that, because I can't envision anyone more competent than the two of you. On the other hand, from a legitimacy perspective, I can't think of anything more important, and I stress this because, as we look to the future, the United States in the world today is increasingly isolated.

I recently returned from the Far East. It is just so clear it is hard to believe. In the Muslim world, which I haven't visited, the reports are very profound, and I am personally convinced that an isolated America could well become an isolationist America. My message to my friends, and I am one that has not been convinced that intervention was the right way to go, is that a failure will be awesomely awful for the world; and the rest of the world really should give America the benefit of the doubt in coming through and helping us in these very difficult times, whether they agree with our intervention, or not. If they don't, the world is going to be a much lesser place, and some of that lesserness may be lead by America if we react in ways that could conceivably be the case.

So, the question I have for you is: As you look to the future, how do you see a transition to solve governance, and where do you see the role of the international community in that transition process?

Ambassador BREMER. Thank you, Congressman, for that very thoughtful point. I think there is a lot that needs to be thought through about this question of legitimacy. It is a subject, after all, in which Americans have been thinking and talking and debating for more than 225 years.

I believe, and I agree with you, that an isolationist America would be extremely dangerous, not just for the world but for the

United States. I have spent 40 years in international affairs, so my life is dedicated to that proposition.

I believe that there is an important role for the United Nations and for the international community in Iraq. I think it is sometimes not well understood how much is already there. We have 30 other countries providing troops on the ground beside our men and women.

I have the citizens of 15 other countries on my staff at the Coalition Provisional Authority. We have already had pledges from 61 countries to contribute to the reconstruction of Iraq, so there is already a broad arrangement. I certainly believe the United Nations can help us in the future. I worked very closely with Sergio de Mello before he was killed by terrorists, and I think we can find ways as we go forward to work with the United Nations as the President suggested in his speech on Tuesday.

Chairman HYDE. Gentleman's time has expired. Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman.

I want to identify myself with Mr. Leach's comments with respect to you and Ambassador Bremer and Walt Slocum. We are deeply in the debt of both of you and, indeed, to all the American civilian or military who are there, as well as our coalition partners.

Obviously, I did not ask you, Ambassador Bremer, to deal with the point I raised, the unfair allocation of sacrifice. This is tax policy and that is not your job. But I do wish to ask you, with respect to my second proposal, namely, the turning of the reconstruction portion of the supplemental into a loan, rather than a grant; and let me first comment on your analogy with the Marshall Plan. I am one of the few people in the room, along with the Chairman, who was very much present at the time of the Marshall Plan. As a matter of fact, as a student in Budapest, at the time, I called for Hungary's joining the Marshall Plan, which did not make me very popular and partially explains why I am serving in this body.

The Marshall Plan was one of the greatest achievements of modern times, but it was aimed at a continent which, at the time, was totally devastated. I traveled that continent widely. One city after another looked like Hiroshima or something close to it, and it was only natural that we would proceed with a grant, although we anticipated matching funds from the Europeans and they were forthcoming.

A Marshall Plan for Afghanistan today is a very reasonable proposition. Afghanistan is a poor country. Iraq is a potentially unbelievably wealthy country, with the second largest oil reserves on the face of this planet. It simply makes no sense to a rational person in this country why the American taxpayer should be asked to rebuild Iraq's infrastructure, which is in the shape it is in, not because of the war, but because of the deliberate negligence by the Saddam Hussein regime that you have pointed out so often and so eloquently.

From your own point of view, Ambassador Bremer, would it make any difference if the Congress were to grant the reconstruction portion of the supplemental in the form of a loan to be repaid over the long run from oil revenues at a time when oil revenues will be flowing in great abundance to an Iraqi government?

Ambassador BREMER. Congressman, I think this is a perfectly understandable issue that I have had other Members of this House and the other body raise with me. The problem that I see is the following: Iraq has about \$200 billion in debt and reparations. You cited the countries who are the main creditors on the debt side. They obviously can't afford to pay that, and the situation is that the debt service on that, has been held until the end of 2004 by agreement of the G-7. There will be no payments to give us a year-and-a-half to find a way to negotiate substantial reductions in those debts.

Mr. LANTOS. Well, some of us favor debt forgiveness, because it is an outrage that the French should be expecting the Iraqis to pay for Saddam Hussein's purchase of weaponry.

Ambassador BREMER. I agree, and there is perhaps an even greater irony of the Iraqi people, this government, the people in this government, who fought Saddam Hussein, having to pay reparations to much wealthier nations.

Mr. LANTOS. Exactly.

Ambassador BREMER. For a war of aggression that Saddam fought—so both elements are clearly, from any reasonable point of view, susceptible to significant change, whether it is forgiveness or reduction, as a matter for bankers and lawyers. But it is clear that, no matter how you slice it, while that debt hangs over, Iraq certainly cannot service that debt. It doesn't have the money to service it and it won't for many, many years to come. The numbers are just too big. If you took just the debt, the government debt, which is put at about \$124 billion and assume a 6 percent interest rate, the annual debt service alone is going to run you \$7.5 billion—

Mr. LANTOS. Sure.

Ambassador BREMER [continuing]. Which they don't have. Next year if we are lucky, we will have about \$13 billion in total revenues against expenditures of about 14 billion.

So I think we have to find a way to substantially reduce the debt. I am sympathetic to the concept that not a penny of the supplemental should ever go to repaying any of that debt. That would seem to me to be the most odious outcome you can imagine, that the American taxpayer puts tax dollars in and they go to repaying the debt, and I would be very sympathetic to finding some way to make that clear.

Mr. LANTOS. Well, could I just rephrase my last question: From your point of view, as the person responsible for reconstruction, would it make any difference if the Congress were to choose to provide the \$21 billion in the form of a long-term loan, to be repaid at a time when Iraqi oil revenues are sufficient for the governmental purposes of the country for further reconstruction, and for enhancing the capability of their oil resources, so their future revenues will be higher?

Does it really make any difference to your allocating contracts for electricity or oil pipeline purposes, or whatever, if these funds are made available by us in the form of a loan? Is there the slightest difference from your point of view?

Ambassador BREMER. I think the differences are two, and they are political, rather than contractual. The first problem is that, in effect, we, then, have to get some political entity, which doesn't ac-

tually exist, to actually enter into a loan as a legal matter. We are the authority in Iraq. There is no constituted authority that could sign such debt. And the second problem is, I think, it would be subject to the interpretation that we went into Iraq after all to get our hands on the oil revenues. Even if you could argue it is a loan, it is a lien against the revenue, so there are some political problems with that. It is not a contractual problem.

Mr. LANTOS. Thank you, Mr. Chairman.

Chairman HYDE. Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman.

Ambassador Bremer, welcome and thank you for your testimony and for the job that your compatriots do and for the way that you perform it.

You mentioned, I believe, that the conditions of services in infrastructure in part relate to the decades of theft, negligence and mismanagement, and I certainly agree. I think that is a major part of the problem, and I would also go on to say the other part of the problem is the prejudicial and discriminatory fashion in which the oil revenue resources post-1991 were allocated.

It is my understanding that the damage to the infrastructure in the recent conflict was relatively minor, at least compared to previous conflicts, and that we took great pains to avoid damaging critical infrastructure whenever possible.

Now, my issues are two: One, are we attempting to restore services and infrastructure to the 1990 level—before the Gulf War—or at the 1991 level post-Gulf War timeframe; or January, 2003 levels?

I raise that question because I think it is important we limit our resources to war damage. There was never 100 percent of the population served by potable water, never 100 percent served by adequate telecommunication service, and never adequate service in health areas for the population—in fact, far from it.

The second issue is just a request that you respond to here and in the course of your important duties. I do not want to read in the future, after our effort is completed or in the interim, that there have been outrageous profit levels and that the bidding processes are certainly not held to the level we expect in the United States because you have to move rapidly. I don't want to read that those profit levels are not huge, that we are not designing and constructing things to U.S. labor pay and standards.

I want your assurance that you're going to watch and see that we don't have those outrageous, egregious examples of every spending given to us in the future. I expect you to move expeditiously and not utilize our normal bidding or procurement processes. I want some assurance that that is going to be some high priority for you, Mr. Ambassador.

Thank you.

Ambassador BREMER. Yes. Let me answer the second question first; in fact, we are going to follow American bidding processes as we are required to by law with appropriate funds.

We have already substantially beefed up both our contracting and you had continuing offices in Baghdad in anticipation that we will be letting these contracts.

We will—obviously wherever possible, we are not going to build to world standards, except in places like telecommunications, where in effect you might as well put in fiberoptics if that is what you are going to have and you might as well do it right; but you got to be prudent. I am a taxpayer. I am not anxious to see my tax dollars wasted either, so you certainly have my assurance on that point, and we will have to move quickly sometimes, but our intention is to useful and open competitive bidding for all of the contracts under the \$20 billion.

I do not anticipate having to use a national security exception. I hope I don't have to.

As for what we are trying to do, what are the metrics, where are we trying to get, it varies from place to place. In an area like telecommunications, where there was substantial damage, it is the only area really where our war, this war, did substantial damage.

It doesn't make very much sense to simply take them back to 1990 or 1991 pre-Internet. You might as well, as I said, give them modern telecommunications and that is what is in here.

Now, in areas like electricity, what we are trying to do is get them back more or less to at least the generating capabilities that they had in the early 1990s. The power situation is probably the most complicated of all. The current generating capability maximum is about 4,400 megawatts, the demand is about 6,000, and 4,400 is what they generated before the war. We are not going to be satisfied with just going back to the pre-war level because you are leaving them then with 8 hours a day with no power.

If you average it out, it is a third below demand. I don't believe you can have a stable economy leading to a stable democratic governance if you simply say to the people, sorry, you are going to be without power 8 hours a day. We are trying to get back in the course of the next 8 months, or so, to the 6,000 megawatts demand level and we anticipate demand will obviously grow from there, so you have to go case-by-case as you go through this.

There is \$400 million in here for maximum security prisons. All 151 prisons in Iraq were destroyed by essentially revenge actions, and then looting after the war. We have 100,000 prisoners let loose by Saddam Hussein. We need to have places to put them, including maximum security prisons, so we have to build new prisons. We can't just go back to what he had. Certainly, we don't want to go back to the kind of prisons he used. It varies, what I am trying to say, area by area.

Mr. BEREUTER. That is a question my constituents had and others have. I appreciate your answer. I think it is responsible and reasoned.

Chairman HYDE. Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

Ambassador Bremer, my questions are obviously not ones that are part of this package for the purpose of our troops which we generally support, obviously. Certainly those of us who are chagrined that 40,000 of them have no flack jackets or that we are concerned about force protection or those who come back injured and get hospital bills. Those are real concerns that we need to be addressing, especially if we want to build up the Reserves, but moving to that area that is your responsibility, and since my time

is limited, I hope you'll work with me on some of these questions that are simpler to answer: Did you have a plan given to you by this Administration with reference to reconstruction when you took over this particular assignment? Could you answer that yes or no.

Ambassador BREMER. Yes, there was a plan already being executed by Jay Garner.

Mr. MENENDEZ. And is that the plan that you now have given to the Congress that is entitled, "Achieving the Vision to Restore Full Sovereignty to the Iraqi People"?

Ambassador BREMER. No.

We are two or three iterations past the plan that I inherited, and that plan that you are looking at there that I think is dated July is already 2 months out of date.

Mr. MENENDEZ. It is 2 months out of date.

Ambassador BREMER. Things change.

Mr. MENENDEZ. Have you provided the Congress with your latest plan?

Ambassador BREMER. I am planning to do that.

Mr. MENENDEZ. Are you planning to do it before we vote for the \$87 billion?

Ambassador BREMER. Well, let me tell you what the process is: We review that plan on a quarterly basis.

Mr. MENENDEZ. Could you just answer the question.

Ambassador BREMER. I can't answer as to when you are voting, Congressman. I can just tell you when I present the plan.

Mr. MENENDEZ. Well, if we vote within the next 2 weeks, will that plan be available?

Ambassador BREMER. We will finish the first quarter review of our plan next week, September 30.

Mr. MENENDEZ. So the plan that has been reported in *The Washington Times*, that the Joint Chiefs of Staff had referred to as Phase 4, that is not the plan that, in fact, is even being pursued today?

Ambassador BREMER. That is a military plan, and one of the things we are doing is—

Mr. MENENDEZ. Phase 4 refers to reconstruction of the military.

Ambassador BREMER. That is correct. That is a JCS plan, CENTCOM plan, and we are marrying their plan with our civilian reconstruction plan, putting the two of them together.

Mr. MENENDEZ. So you were privy to that plan?

Ambassador BREMER. No. Before I came to Iraq I wasn't.

Mr. MENENDEZ. But once you came to Iraq, you were?

Ambassador BREMER. Yes.

Mr. MENENDEZ. So you are using that Phase 4 plan that everybody says is not final?

Ambassador BREMER. No. I am not using it.

I am sorry I didn't make myself clear. The Phase 4 plan is a plan for the military component of our activities in Iraq. I am not responsible for the military component of our activities in Iraq.

Mr. MENENDEZ. Well, Phase 4 here says reconstruction.

Let me ask you this: How many—well, first of all, you say in your "Achieving the Vision," which, you say, is now stale, but I assume that this vision is still the same?

Ambassador BREMER. Yes.

Mr. MENENDEZ. The goal of the Coalition Provisional Authority is the following:

“A unified and stable democratic Iraq that provides effective and representative government for the Iraqi people, underpinned by new and protective freedoms in a growing market economy, able to defend itself, or no longer possess a threat to its neighbors or international security.”

How long do you project that goal of the Coalition Provisional Authority is going to take, number one; and, number two, how many more billions of dollars in addition to the present request are United States taxpayers going to be asked to spend in Iraq?

Ambassador BREMER. Well, it is hard to say how long it will take. We have benchmarks going out over the next year, and now that the supplemental has been put together over the next 18 to 24 months, some of the things in the supplemental will take 18 months. Some will take 24 months.

Mr. MENENDEZ. So you are speaking of about at least 2 years?

Ambassador BREMER. Oh, yes.

I think the longest lead items in the supplemental take about 2 years, to actually have a power plant built or a damn repaired or whatever.

Mr. MENENDEZ. But our engagement would be at least 2 years?

Could it be as long as 5?

Ambassador BREMER. Well, I think the Coalition Authority, in fact, has three different questions: When does the Coalition Authority pass sovereignty back to the Iraqi government and the Iraqi government becomes responsible for that kind of an Iraq?

The answer is that as soon as the Iraqis can write a constitution and hold democratic elections, the Coalition Authority goes out of business. I no longer have a job.

Mr. MENENDEZ. How much more money?

Ambassador BREMER. We don't anticipate any other supplemental requests. This is the supplemental request.

Mr. MENENDEZ. The total reconstruction cost for Iraq will be \$21 billion beyond the military component?

Is that the total reconstruction?

You will not come to this Congress and ask for any more money beyond the \$21 billion you are asking for in the supplemental?

Ambassador BREMER. If you'll let me finish my sentence.

Mr. MENENDEZ. I'd be happy to.

Ambassador BREMER. What I said was: We do not anticipate coming back with another supplemental request. Any additional funds needed for Iraq's reconstruction from the American side would come in the regular appropriations process.

Mr. MENENDEZ. And how much do you project that to be?

Ambassador BREMER. I really don't know at this point, because here are the unknowns. We are going to have a donors conference at the end of October. The total amount that the World Bank indicates is needed is somewhere between 60- and \$70 billion over a 5-year period.

What we have done in this supplemental is say what we need to do quickly and urgently to succeed in the next 12 to 18 months. That is what this is.



This is urgent priority—essential stuff that we think represents the American share of that 60 to 70 billion.

The Iraqis will put up some money, because, in 2 years, they will start to generate enough oil for their operating expenses.

We hope the international donors and the international financial institutions will come up with money at the Madrid conference; and the Iraqis have to put together a budget for 2005, which they have not done.

Once those pieces are in place, then the Administration will have an ability to come up to you for the FY 2004 and FY 2005 regular appropriation and authorization process. That is where any additional funds would come.

But I do not anticipate anything on this order of magnitude.

Chairman HYDE. The gentleman's time has expired.

Mr. Burton.

Mr. BURTON. Thank you, Mr. Chairman. I am certainly going to support my President and support you on the request that you are making. However, I do have some concerns.

Iraq is \$200 billion in debt and you made a comment a moment ago that forgiving any of that debt or cutting back on the amount of debt is something for bankers and lawyers. I think that is something that should be in the negotiation process over the next couple of years, and I think that a lot of the Members of Congress are going to be very concerned about appropriating the kind of money that is needed while at the same time France and Germany and other countries are getting repaid in full for things that they had sold to Saddam Hussein when the world was kind of frowning on that.

I think that is one of the things that most Members of Congress would agree with. Regarding the \$21.4 billion being a loan instead of a grant, I don't see anything wrong with that. I think Mr. Lantos and I would agree on that. We could make that an interest free loan to be paid over a long period of time. That would sit very well with the American people and I think it would sit very well with the Congress. The money would still go, it would be sent over there for the reconstruction, but the American people would expect repayment at some point in the future and it could be over a 10-, 15-, 20-year period and at no interest.

You were talking about the cost of servicing the debt. Make it a no interest loan. At least we are going to get the 21 billion back. If you or somebody else in the Administration has to come back later and ask for money for the rebuilding of Iraq, it would make it a lot easier to ask for that in a supplemental or in a future appropriation bill if we knew that this 21 billion was a loan rather than a grant.

Finally, one of the things that concerns me and concerns a lot of my colleagues, is the "buy American" standard. I think Jim Trafficant, when he was here, was always talking about "buy American" bills. Everything that was purchased by our government, he always wanted a "buy American" clause in it. If we are going to be spending this kind of money in Iraq, as the Administrator over there, I hope you will do everything you can to make sure that American companies, American producers get the lion's share of the business. That is not to say that you shouldn't buy

from other countries and other parts of the world. But since we are putting out the money, I would hope American entrepreneurs would get the benefit of that.

Ambassador BREMER. Well, Congressman, let me just be absolutely clear on the debt point. I may have misled you or misspoke. I completely agree. I thought I made it clear that this is odious debt. This debt, whether it is the creditors that Saddam incurred or in particular the reparations from his wars of aggression, this is odious and it should be substantially reduced. I didn't mean to say the debt negotiations shouldn't start. They are really already started from the Evian meeting on June 6 this year, when the G-7 said we are not going to have any payment on that debt for a year and a half but we are going to start the process now of taking an inventory of the debt and figuring out how to get a quick reduction. I am absolutely in favor of that.

My point about the bankers and lawyers was that the mechanism of how that is then done is a technical matter. I am not competent to comment on that.

Mr. BURTON. I guess I misunderstood.

Ambassador BREMER. But I am absolutely with you on that point. And I am absolutely prepared to have Congress say not a penny of the supplemental or American taxpayers money should go to repaying their debt. It is clear the loan question is an issue that I think needs further discussion.

Chairman HYDE. Mr. Brown.

Mr. BROWN. Thanks, Mr. Chairman. Ambassador, welcome and thank you for joining us. Last night I received a call at about 8 o'clock from a Marine Sergeant from my hometown whom I had met when he returned injured from Iraq. He spent 4 months in the hospital in Bethesda and told me, calling from Camp Lejeune because he is being rehabilitated out of the hospital, that he owes \$500 for his meals to the Federal Government. I get—we all get letters from servicemen and women's families, sometimes from servicemen and women themselves, about the paucity of flak jackets, toilet paper, sanitary napkins, all kinds of things that our troops deserve and need. And I know these responsibilities are split between you and the Pentagon. But with this \$87 billion that you probably will get from this Congress, can you give these parents and relatives specific steps that will be taken that these troops will, most importantly, have their safety more assured than it has been and their supplies and needs taken care of better than they have been?

Ambassador BREMER. Congressman, I understand and sympathize with these points. It really is not my responsibility, but by coincidence the same question was asked of General Abizaid in the hearing I just came from. And part of it I can answer, which is the flak jackets are on order and will be available to all servicemen and women, I think he said by November.

On the other issues of paying for meals, that apparently is a legal requirement which the House Armed Services Committee, if I understand the Chairman there, is undertaking to see if they can find some way around. But frankly I am pretty well outside my lane here, as they say in the Pentagon. These are good questions.

I suggest you ask them of the Chiefs. The answer is they are taken care of in the supplemental, but that is as far as I can go.

Mr. BROWN. I appreciate that. I am sort of incredulous that it is going to be November until we have flak jackets when this is something that, as much else, should have been done, should have been planned for.

We all appreciate your vision of a democratic Iraq. We are skeptical, at least some of us, about the performance of our government, the Pentagon, the civil authority, since the President declared the war over, and especially we are skeptical when we see us spending almost a billion dollars a week. We see as much as a third of that go to private contractors, some of it, much of it unbid, much of it going to Bechtel, to Halliburton, where the Vice President still is receiving \$14,000 a month. It seems most of these unbid contracts, much of this money to private contractors, has gone to many of the President's friends and contributors. These private contractors don't seem to be doing the job that they ought to be doing in supplying all kinds of things to our servicemen and women, some of the items I was mentioning earlier, and there seems to be no accountability for the first 60 some billion, a billion dollars a week.

How do you—how do I explain—forget about explaining it to Congress. How do I explain to taxpayers in my district, how do I especially explain to those families who have made the largest, in some cases the ultimate sacrifice, in other cases the large sacrifice of sending their men and women and sons and daughters and husbands and wives to Iraq. How do we explain that to them if you are not willing to tell us and tell the American people more about where these unbid contracts are going and assure us that Halliburton, assure us that the Vice President's company where he is still receiving an income three times the average income of the American people annually, that there is not something that just may be a little shaky there?

Ambassador BREMER. Congressman, again, most of these questions belong with the Pentagon comptroller. But let me clear up a couple of your constituents' questions. I think the important place to start is in getting the facts straight. My understanding is that 95 percent of the contracts that have been let since we have been there have been open, full and fair bidding. And that incidentally also includes the Bechtel contract, which contrary to constant press reports was in fact competitively bid.

The Halliburton contract, as I understand it—and it was let long before I got on the scene, I was a happy businessman at that time—was not competitively bid, and it is to restore the oil fields. I don't know what the relationship is between the Halliburton contract and service to our servicemen, and I don't think there is any. That contract is being rebid now and will be rebid, as I understand it, in November.

Mr. BROWN. Ambassador, originally it was supposed to be rebid in August, according to my recollection.

Ambassador BREMER. I am told it is being rebid October 1st. Anyway, I think it is important to get the first step for answering your constituent questions is to get the baseline facts correct, and the people to ask about that are the comptrollers at the Pentagon.

Chairman HYDE. Mr. Royce of California.

Mr. ROYCE. Thank you, Mr. Chairman. Ambassador Bremer, good to see you again. I wanted to ask you a question about a Committee hearing we held last week in this very chamber. We heard from a senior Administration official who said that Syria permitted volunteers to pass into Iraq to attack and kill our service members during the war, and then he went on to say that Syria is still doing so. I also wanted to ask you about a *U.S. News and World Report* which said that on telephone intercepts of Saudi fighters calling home, they were saying that they were in Iraq preparing for action.

So you are on the ground there, and I had an opportunity to talk with you in May in Baghdad. But my question is, can you comment on these current reports about militants coming into Iraq to wage jihad?

Ambassador BREMER. Yes. I am looking for the numbers we have captured here so I can give you some more precision. But we have several hundred effectively third-country nationals in detention now. We have killed many more. The single largest group that we have in captivity are Syrians, and we have quite a number of Saudis as well. We are concerned about this. Some of these fighters we think came in before the war. You may recall some of the neighboring countries like Syria sent volunteers.

Here it is. The number of third country national detainees we have now is 278, of which 123 are from Syria. We believe that there are rat lines, as they call them, from Syria into Iraq, where both fighters and in many cases terrorists are still coming in. We think the Syrians should be doing a much better job of controlling their border than they are.

Mr. ROYCE. The trend is on the upswing, and we don't see at this time concerted action on the part of the Syrian government to really control the situation?

Ambassador BREMER. We have had discussions with the Syrian government, not me, but our government has had discussions, and we do not yet see the kind of full cooperation we would like to see controlling their border.

Mr. ROYCE. Can you share with me some of the things that you are seeing on a daily basis? We saw the poll the other day that showed that two-thirds of Iraqis say that this was well worth it; that their expectation is that they are going to get a democratic system out of this. It was worth the removal of Saddam Hussein; the removal of Saddam Hussein has been worth the hardships, as they say. But some of my constituents say we don't get that feel as we hear the broadcasts from the media. We don't get that feeling about where those two-thirds of the people are in Iraq.

Could you give us some insights on what you are seeing on a daily basis?

Ambassador BREMER. Well, one of the most difficult and frustrating parts of the job is just what you put your finger on here, Congressman. There is an impression conveyed by many of the reporters based in Iraq that the country is in chaos because they only report on the bad news. The fact of the matter is, and it is much more true today than it was when you were there in May, Iraq is a country at peace. The north is quiet. The area south of Baghdad, which is almost 50 percent of the population and about 50 percent of the land mass, is quiet. We have a security problem in the area

from Baghdad west to Ar Ramadi and north to Tikrit, and we have had that problem. That is where 85 to 90 percent of the attacks against the coalition take place. We have a problem there and we are dealing with it.

It is very frustrating because we have now successfully concluded over 8,000 reconstruction projects all over Iraq. I won't say every one of those is a great news story, but a lot of them are really good news stories, orphanages being rebuilt by our soldiers, schools being repainted, doors being put on hospitals, generators being put on hospitals, factories being reopened, school yards being cleaned up so kids can play soccer, community centers being built. The list goes on and on. There are 8,000 of them and counting, and there are a lot of good news stories.

My frustration is I have a hard time getting the press to write the good news stories. This will not surprise members of the political class, I don't suspect, but it is a very great frustration to me.

Mr. ROYCE. I was surprised in Kirkuk—we watched soccer games, more than one. In Baghdad we saw all the shops were open. At one point there was rush hour traffic.

The Iraqi Governing Council has been arguing that they should be given power very soon. I think that is a good thing because it seems democracy is alive and well in Iraq in that sense. But at the same time, why is it not a plausible idea to turn over authority, let's say this week? Why is that not a plausible idea, and what is your time line for further empowering that council?

Ambassador BREMER. Well, I will be brief. It is not plausible because it would not make sense to turn over sovereignty to a body even though it is an honest and competent body like the Governing Council, which has no political legitimacy. They were, after all, appointed. We above all people, who have spent 225 years thinking about legitimacy, thinking about this question of how you get the consent of the people, have to insist that there must be a constitutional framework around which Iraq's political framework is built. And that is where we come to my steps. I don't have a time line, but I have laid out a path, seven steps on the path, we have taken three. There are four to go.

Chairman HYDE. Thank you.

Mr. ROYCE. Thank you, Ambassador.

Chairman HYDE. Mr. Wexler.

Mr. WEXLER. Thank you, Mr. Chairman. I too want to welcome you, Ambassador Bremer. I am sure you are familiar with the internal Pentagon report prepared for the Joint Chiefs of Staff entitled, "Operation Iraqi Freedom Lessons Learned." Have you been given a copy of that report?

Ambassador BREMER. I have been briefed on it, yes.

Mr. WEXLER. And so—have you been given a copy of the report?

Ambassador BREMER. Yes.

Mr. WEXLER. So you have a copy of the report. I am not trying to trick you.

Ambassador BREMER. I was given a briefing. I was given a briefing with a deck of slides. I don't know whether that is the report or just a deck of slides. That is why I said I was briefed on it.

Mr. WEXLER. Okay. So all you received were the slide program?

Ambassador BREMER. So far, yes.

Mr. WEXLER. Okay. According to some press reports, this appears to be at this point what may be the definitive Administration self-analysis of the postwar planning and operation. Can you share with us some of the things we should know from that report as we are debating the \$87 billion request? Some of the lessons learned?

Ambassador BREMER. Congressman, as I recall, and I was briefed on it several days ago, it is a classified report, so I am afraid I can't share that with you even if I could remember all the lessons learned, which I can't.

Mr. WEXLER. That is fair. Do you think there is any information in that report—

Ambassador BREMER. Excuse me.

Mr. WEXLER. Do you think there is any information in that report that might be relevant to Congress' deliberations regarding the \$87 billion appropriation request?

Ambassador BREMER. It is a good question and a fair one, Congressman. Not that I remember. It was largely related to the kinetic part of the operations—in other words, it was largely dedicated to the lessons learned on the military side.

Mr. WEXLER. Our colleague, Congressman Paul, at an earlier hearing we had raised the question of how many Iraqis have been killed during the military action. I was wondering if you could share with us in terms of civilians and soldiers how many Iraqis have been killed during the military action and how many have died since President Bush declared the military operation over.

Ambassador BREMER. I don't have those numbers, sir.

Mr. WEXLER. Who would have that information?

Ambassador BREMER. Well, if anybody would have it you would have to address it to the military side of the Pentagon.

Mr. WEXLER. So you have never been briefed on the number of Iraqis that have been killed?

Ambassador BREMER. No.

Mr. WEXLER. You have never asked?

Ambassador BREMER. I don't even know if somebody has those numbers.

Mr. WEXLER. You have never asked how many Iraqis have been killed?

Ambassador BREMER. No.

Mr. WEXLER. Why not?

Ambassador BREMER. Well, it is not at the moment relevant to what I am trying to do, which is to rebuild the country.

Mr. WEXLER. So whether there were 10 Iraqis killed or 400,000 would not be relevant to your program?

Ambassador BREMER. Congressman, let's be realistic here. We are not talking about 400,000 under any circumstances.

Mr. WEXLER. Good. I am glad to hear that. Why doesn't the GAO have access to conduct audits of the money being spent in Iraq yet?

Ambassador BREMER. It does.

Mr. WEXLER. It does?

Ambassador BREMER. In fact they had people over there. They may still be there. They are still there. They have full access. They are actually there at my invitation.

Mr. WEXLER. Okay.

Ambassador BREMER. I am sorry, I am told they have returned from Baghdad but they came at my invitation. They were there for a couple of months, so I don't know what the problem is.

Mr. WEXLER. Okay. A draft report apparently regarding Iraqi weapons of mass destruction, the newspaper reports suggest, will show that our inspector will report nothing yet found. In May, President Bush stated that the discovery of a group of mysterious trailers were used to manufacture biological weapons.

Do you agree with the President's assertion?

Ambassador BREMER. I am not an expert on those matters, sir.

Mr. WEXLER. Vice President Cheney called the trailers mobile biological facilities. Do you think the Vice President was—

Ambassador BREMER. I don't know. I have seen the trailers, but I am not an expert so I cannot give you a considered judgment. I suspect we wait until we see what Dr. Kay says. He is the expert.

Mr. WEXLER. We can't get the report though.

Ambassador BREMER. Excuse me?

Mr. WEXLER. We haven't gotten the report yet and we are trying to determine what the status is. But you can't help us, I guess?

Ambassador BREMER. Dr. Kay works for the Director of Central Intelligence, and when he has his report ready I am sure he will make it available to the appropriate Members of Congress.

Mr. WEXLER. You stated earlier—

Chairman HYDE. The gentleman's time unfortunately has expired.

Mr. Paul.

Mr. PAUL. Thank you, Mr. Chairman. Welcome, Ambassador. I want to start off by just stating that in the study of free market economics there is a general rule that says that if you try to correct a problem and you intervene, you generally create two new problems, and that is one of the reasons why we have a huge Federal Register. I believe that same principle applies in foreign policy as well. Sometimes when we do things with the best of intentions we get results that weren't intended, and I think that is what we are dealing with today because obviously, it wasn't planned for; and even those of us who strongly objected to the war didn't know exactly what would happen. It could have been concluded in a month or a year or whatever. So we are dealing with unintended consequences, and I think that is very important because I think that is more likely the rule than the exception. And for those individuals who indicate that those of us who don't believe in entangling alliances, getting involved in the internal affairs of other nations, which we were so strongly advised many years ago, and that we shouldn't be involved in nation building and that policing the world isn't a good idea, generally, we are dismissed as saying, well, they are isolationists, therefore they are bad people. But you know there is a different definition for isolationism, and that doesn't necessarily mean that a person is an isolationist, because as long as the country is willing to allow goods and people and services across borders, you don't become a true isolationist.

But in dealing with why we are facing these problems, the *New York Times* last week had an article, and this is a quote from it. It says,

“New intelligence assessments are warning that the United States’ most formidable foe in Iraq in the months ahead may be the resentment of ordinary Iraqis increasingly hostile to the American military occupation.”

That seems to be challenging a little bit what you are saying, and of course I am sure there are foreign elements coming in. Another unintended consequence, I am sure there are still Saddam Hussein supporters there which should have been anticipated. But General Sanchez said something, too, that makes me think that the number of those killed is very relevant, and he said,

“We have seen that when we have an incident in the conduct of our operations, when we killed an innocent civilian, based on their ethic, their values, their culture, they would seek revenge.”

And I think that could apply to occupation as well.

So I think the numbers are very, very important because I have read where there could be as many as 50,000 civilians killed. That means 50,000 families and hundreds of thousands of friends and relatives. So we have created a problem for ourselves because of that. But to say it is unimportant or not recognize that maybe the *New York Times* and maybe General Sanchez is correct here that we are dealing with ordinary Iraqis, I keep thinking of the analogy of what would we as Americans think if the Chinese decided that they had to protect their oil and they occupied the Gulf of Mexico like we occupy the Persian Gulf. What would we in Texas think if we had an air base on our holy land in Texas? There would be a lot of resentment.

These are the kind of things I think we seem to fail to understand and maybe why you have a difficult job raising the question of how long are we going to be there? And more specifically—I wouldn’t mind you commenting on what I have said, but more specifically, could there possibly be an end point in your mind? What if we are there in Iraq in 5 years? We have lost 5,000 men and we have spent over a trillion dollars and we still have chaos over there? Would you be willing then to say, well, you know, we had better reassess whether or not we should even be there?

Ambassador BREMER. Well, Congressman, it is a hypothetical question and it seems so completely unlikely that I don’t think we are going to spend anything like a trillion dollars there.

Let me talk about the resentment question. What General Sanchez was talking about, I agree, which is that we have on occasion, particularly in the operations we have been conducting in the last 3 months, 2½ months, inadvertently killed innocent Iraqis. And where that has happened and we can identify that it has happened we have done what is culturally correct. We have essentially paid the relatives, and that has had a great calming effect. But the fact of the matter is the people who are attacking and killing our soldiers are not simply angry Iraqis. They are trained killers. They are members of the Fedayeen Saddam. They are trained killers from Saddam’s former intelligence services. Those are the people who are out in squad level operations killing our soldiers, and if you look at the polls, including the poll that was referred to earlier



today, you will see that in fact the majority of Iraqis are still appreciative of our being there.

That is not to say that being occupied is easy. It is not, and being an occupying power is not easy. But our problem is the people who are killing us are terrorists and these former regime loyalists, and those are the people we have got to hunt down and either kill or capture before they kill us.

Mr. LEACH. The time of the gentleman has expired.

Mr. Delahunt.

Mr. DELAHUNT. Yes, thank you, Ambassador. Let me also acknowledge the courage and the commitment that you and those that are in Iraq are making. I want to get back to the issue of the debt pre-war. We hear stuff about Germany and France, et cetera. There is also a debt owed to the American people. From 1982 to 1990, shortly before the first Gulf War, both the Reagan and the Bush Administrations supported Saddam Hussein. You are aware of that, I am sure.

Ambassador BREMER. Yes.

Mr. DELAHUNT. We provided loan guarantees. We provided agricultural credits. We did much to support that regime. In fact, we continued to support that regime after the end of the Iran-Iraq war. Now, it is my understanding that there have been numerous defaults on those loans that the Reagan-Bush Administrations made to the Saddam regime. Do you know what the number, the aggregate number of those loans are and how much is owed the American people?

Ambassador BREMER. My understanding, Congressman, is that the capital amount is about \$2 billion and the accrued unpaid interest is another 2 billion.

Mr. DELAHUNT. Well, let me suggest to you that that \$4 billion that is due and owing the American people is not an odious part of that particular debt. I think we have—

Ambassador BREMER. No, but you are going to have a hard time making the argument to everybody else that their debt shouldn't get paid and ours should.

Mr. DELAHUNT. I understand. But I think it is important we get that out on the table.

Ambassador BREMER. I understand.

Mr. DELAHUNT. And you make a very valid point about the constitution. Who currently is writing the constitution? Do we have a preliminary draft?

Ambassador BREMER. Nobody is writing the constitution because the next step along the path to sovereignty is for them to convene a constitutional conference to write.

Mr. DELAHUNT. Who will be the conveners?

Ambassador BREMER. That will be convened by the Governing Council.

Mr. DELAHUNT. By the Governing Council, okay. I appreciate that answer, the succinctness of it. When it comes to the Governing Council, we have been visited lately by Mr. Chalabi, Mr. al-Awi, Mr. al-Barak, who claim that they can do better in terms of the costs of reconstruction than you and the CPA. In fact, Mr. Barak has made the statement that where they spend \$1 billion we would spend \$100 million.

Now, clearly you were the appointing authority of this 25-member coalition. Is that a correct statement?

Ambassador BREMER. Yes.

Mr. DELAHUNT. And do you agree with your appointees or do you have a difference of opinions?

Ambassador BREMER. No, they are exercising that most fundamental and democratic freedom, the freedom of speech.

Mr. DELAHUNT. I understand. But do you disagree with their conclusions?

Ambassador BREMER. I have profound respect for Mr. al-Barak. He is a wonderful man. He is a lawyer who set up a human rights—

Mr. DELAHUNT. I understand your respect. But do you disagree?

Ambassador BREMER. I disagree with him.

Mr. DELAHUNT. You disagree with him?

Ambassador BREMER. Now look, if as we go forward, and I want to point out that the \$20 billion request was done by the Iraqi ministries. These were not our projects and numbers. If we find that Mr. al-Barak can find a way for us to do something for 10 percent that we were going to spend 100 percent, I am not going to say no. I am a taxpayer.

Mr. DELAHUNT. I understand, and you have answered my question.

In terms of selection process of the 25-member council, how did that occur? And I am thinking specifically of Mr. Chalabi. Mr. Chalabi is a controversial figure. We know that he was sentenced to some 22 years by a Jordanian court for—I don't know whether it was money laundering or bank fraud. Did we ever consult with the Kingdom of Jordan regarding his particular selection?

Ambassador BREMER. The process of selection was an extremely intense and complicated one that went on for about 60 days. I had a team, an interagency team and a team of U.S./British experienced political officers, area experts, which I am not, that worked 18 hours a day. Some day there is a great book or maybe several to be written about that. It involved lots of consultations with lots of Iraqis. It did not involve consultations with other countries.

Mr. DELAHUNT. It did not involve. I just would submit to you that, on this particular month where he is the President of the Council and I understand took the seat at the United Nations hearing, we should give due consideration to other nations in that neighborhood, particularly Jordan, who have been supportive.

One last question, if I may.

Mr. LEACH. [presiding.] The time of the gentleman has expired. There is a slight possibility of an extra round, but I want to get to everybody.

Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Chairman. Ambassador Bremer, I would join with my colleagues in thanking you and your staff for your courage and your competency. I can't think of a more difficult position to be in and you are doing it with great poise, tact and with a great deal of expertise, so we thank you.

I do have two questions. I would like to first make a general comment. Obviously the reconstruction costs and the whole issue of

burden sharing is something that really I think concerns a great many of us on both sides of the aisle. You know the cost of rebuilding is not just attributable to the war. I would think that would be a minor part of it. It is the long-term effects of sanctions which the international community collectively leveled, and rightly so, upon Saddam Hussein and his own dictatorship and his bullies and the effect of that. It is just too easy for the international community and many of the individual countries to wash their hands and walk away from it like they have no part in this. They have, I think, a moral duty to be involved. I would ask you if you would comment on what the realistic expectations might be going into Madrid for them to get over the fact that there was a disagreement on the war. But reconstruction is really a whole different kettle of fish, and they need to be involved with that robustly. What might we expect to derive from that?

Let me just say a word, too, about the loans that have been mentioned earlier, just my sense on that. There is a lot of surface appeal in saying we ought to turn the \$20 billion or a portion of that into a loan. I would think that that might have a chilling effect on a donor conference in Madrid and anything thereafter, where everybody might want to get onto the loan rather than actually forking over that money which is so vitally needed by the Iraqis. So that chilling effect could actually hurt everything we are trying to do.

And, secondly, the question on police trainers, I think there are some \$800 million requested to train police. How confident are we that we can vet properly the police military when it comes, and we are talking mostly police here, I guess. So that you know we know in Guantanamo some of our own people are now under suspicion. I was recently down there. I actually met with the Islamic Captain, the military West Pointer who is from New Jersey, who I was very impressed with, and who is now under a cloud of suspicion about whether or not he is involved in something nefarious. Certainly I hope he isn't—I was very impressed with him. I spent a good part of the day in and out talking to him about what his feedback was while I was there. Vetting is always a very, very difficult thing. What confidence do we have on that?

Ambassador BREMER. Thank you, Congressman. I think the point about loans is very well taken. I am concerned that if we move in that direction, we will find it impossible to persuade other countries to do anything other than loans and again you are sooner or later going to run up against the fact that this is a country that cannot service its existing debt. And if you then have to say, well, let's get rid of the debt before you decide what to do about the additional capital that the country needs, we are going to be years before we get the capital in there from the other donors. And so I really am concerned from an American national security point of view. We must show real progress in the next 12 to 18 months. That is my assessment. That is not only my assessment, it is the assessment of my entire team. It is the assessment of the coalition forces. It is the assessment of the other coalition governments. We do not have 2 years to think about and worry about what we are going to do about the loans and whether other donations coming in are loans.

Now, on the donors conference it is hard to say what will happen. We are really only at the beginning of the process, but I can sort of scope the problem for you. The World Bank has not yet finished entirely its assessment of Iraq's needs, but it is currently looking like it is going to come out somewhere between 60 and \$70 billion needed for the Iraqi economy over the next 4 to 5 years. It is important to remember that is a 4- to 5-year span. We are taking \$20 billion, as I said in answer to an earlier question, as the most urgent essential stuff that serves American interests. Get the infrastructure going. Get the Army up. Get a police force trained. So there is a gap there. And some of that gap will be filled out by the Iraqis in the years when they start to generate enough oil. They can take care of those reconstruction needs, and some of them we hope will be by the international financial institutions. Some will be by other donors. But I can't give you the numbers. We hope it is a substantial amount.

Final point. I know time is out, but on the police training, you are quite right. Vetting is going to be a serious issue, as it already is, in bringing members into the Army and people into the police. We do our best on that. And we will certainly make mistakes, as apparently one may have been made in our own military services. But it is a sensitive issue and we will work hard on it.

Mr. LEACH. Thank you very much. Let me just note very quickly the Ambassador has a 6 o'clock deadline. There are five Members left. We are going to try to get everybody in. Mr. Schiff.

Mr. SCHIFF. Thank you, Mr. Chairman. I want to begin at the outset to echo some of the comments that you made regarding the Ambassador's service and that of your staff. We very much appreciate the fact that you are in harm's way and you are doing extraordinarily important work. Mr. Korologos was wonderful to show around our delegation when we were in Iraq last month. We met one of your staff, for example, who had a fresh scar where a bullet grazed his temple and was working in the health care area and back on the job right after being shot at and almost successfully shot at. So it really is a tribute to you and your staff.

I have a few questions. I am going to start with the first and see if I can get to any others. There was a report that was referred to earlier, this final draft, of which I think you indicated you had a presentation of a slide show. The conclusions in this final draft of lessons learned in Iraq are very significant, the main one being that there was inadequate postwar planning. There was a lack of coordination, unification of a plan between State and Defense as well as inadequate handling of the weapons of mass destruction issue.

I know you can't comment on the report, but I wonder if you could share with us what the status of the postwar planning was when you took over. In other words, how much of what you are doing now is in line with the pre-war postwar plan, if you understand my question.

Ambassador BREMER. I understand the question. Let me try to answer it as directly as I can. I have heard lots of stories about the pre-war planning being inadequate and there was this or that. I have to tell you, Congressman, I have not had a chance to look at the pre-war planning. I simply have not had time and I don't

anticipate I am going to have time. I am driving 100 miles an hour out looking at the front, and I don't have time to look in the rear-view mirror, so I honestly can't give you an assessment of how that planning was. It will make a great study for somebody getting his Ph.D.

I inherited a plan or a process of planning from Jay Garner when I got there. That was a short-term plan, very much oriented toward what we were going to try to do over the next 30 days before he left. He left in the middle of June. We in the meanwhile carried forward the various elements of that plan that had to do with the things we are still dealing with, the infrastructure, the electricity, water, hospitals, schools. And we have articulated as we have gone forward what we see as the problems going forward, which is what you have in the supplemental, enlightened by our very close work with the relevant Iraqi ministries. That is where the supplemental emphasis has come from.

Mr. SCHIFF. Ambassador, if I can interrupt. If you haven't read the pre-war plan and basically what you were given when you took this assignment was what Mr. Garner had pursued and you have been essentially improvising since in light of the needs that you are confronting, if you didn't have a plan going into the job about how much personnel you would need, how much the Iraqis would take care of for themselves, how much you would be responsible for what the status of the infrastructure was, et cetera, where the division would be between the CPA and the military in terms of reconstruction, have you had to basically do that all yourself?

Ambassador BREMER. No, no. We have planning staff and the military has a planning staff, General Abizaid has a planning staff.

Mr. SCHIFF. I understand that. But what I am asking is you and your planning staff and the other military command and its planning staff, are you operating at all on the basis of planning that was done in advance so that you would not have to learn as you go?

Ambassador BREMER. Yes, but what we found was that the assumptions that were made, particularly about the state of the infrastructure, were not correct. We found an infrastructure that was considerably more degraded than anybody understood it was to be, particularly in the area of power generation, for example, which is one of our major emphases. We already knew we were going to have a problem reestablishing power generation. It was one of the priorities that Jay Garner was working on.

Now, what we didn't know until we really got into it was how much it had been degenerated. It was clearly already a priority. It was the largest single part of the Bechtel contract, which was signed before I got there. So we knew we had a power generation problem. We just didn't know what the scope was and how hard it was going to be to fix. So we have been changing our planning. We have been putting more money into that. We just put another \$300 million into it 2 weeks ago. We are in a combat situation where the situation is fluid and where we have to be flexible and we have to move forward as the situation reveals itself, and that is what we have been doing.

Mr. SCHIFF. Ambassador, I understand that but the impression I have is that while the war plan was extraordinarily well thought

out and gamed out in the sense of each scenario, if they use chemical weapons this is how we handle it, if they go after our supply routes this is how we handle it, that all although that extensive gaming out was done on the war plan——

Mr. LEACH. Excuse me. The time of the gentleman has expired. If you can have something for a 10-second response.

Mr. SCHIFF. Yes. I will.

Mr. LEACH. Now.

Mr. SCHIFF. There was no such gaming out of the scenarios for the postwar plan, such as what if our expectations on infrastructure turn out to be wrong, what if our expectations about guerilla warfare resistance turn out to be wrong.

Mr. LEACH. I am sorry, is there a question here? If not, I must turn. We have four people. You are over by a minute and——

Mr. SCHIFF. I would just ask the Ambassador if he has any further response.

Ambassador BREMER. No further response.

Mr. LEACH. Mr. Tancredo.

Mr. TANCREDO. Thank you. Mr. Ambassador, I am one that looks at the situation in Iraq and sees the glass as being half full. I believe that the accomplishments are extraordinary, starting with the meeting of all of our strategic goals at the outset of the war in a time frame that I think is certainly historic, with a minimum of loss of life. I think the reconstruction is going on with an incredible amount of progress.

So I want to state that on the front end, and I want to commend you of course as others have done for your efforts on our behalf. I have heard now twice something, however, that is quite disconcerting and just need to get your response.

Someone was on television I am told just earlier today, I think it was someone who had acted originally as a human shield in Iraq, but has since sort of seen the light, come away and essentially is talking about the progress we are making. But he waved something in his hand that he called the draft Constitution that he had and that part of that he said, and this is the second time I have heard this, that part of that draft Constitution establishes Islam as the official religion of Iraq, this new government in Iraq.

Number one, do you know if that is true? And number two, if it is true, what does that mean? What are they really getting at here? And what would you do in response to some sort of movement along those lines to, let's say, impose sharia law in this new Iraq?

Ambassador BREMER. Well, I don't know what he was waving around. There is no draft Constitution that I am aware of because, as I answered earlier, there isn't even a convention set up to draft it. That doesn't exclude that there are people drafting pieces of paper. It has no status. So I don't know what you want me to say about it.

Mr. TANCREDO. Okay. That may be something he just pulled out of the sky so to speak. But what would you do? What would be our response if that were something that were to develop inside the discussion?

Ambassador BREMER. Well, let's see what they come up with. The Constitution that many Iraqis look back to is, and the only one that really is a serious Constitution, was drafted by the British in

1925. Saddam operated under a series of what he called temporary constitutions. Then he didn't pay any attention to them either.

So you really have to go back to 1925. Article 13 of that Constitution established that Islam was the religion of the majority of the Iraqi people, but also established freedom of religion. And it may well be that that is the direction that the Constitution will go. But since they haven't even convened the group yet, I really can't comment as to what will happen.

Mr. TANCREDO. And you can't even anticipate the possibility of them doing something like establishing, let's say, proposing as part of the constitution the sharia and what would we do in response?

Ambassador BREMER. Well, there are countries all over the world with established religions, including the United Kingdom.

Mr. TANCREDO. So we have no objection to imposition of sharia law?

Ambassador BREMER. No, our red line is respect for human rights, including the freedom of religion, the rights of women, et cetera.

Mr. TANCREDO. Yeah. So we would do something?

Ambassador BREMER. Absolutely.

Mr. TANCREDO. Thank you.

Ambassador BREMER. But I don't think it is possible to draw a line in the sand in the question of establishing religion.

Mr. TANCREDO. No, I understand that. And that is why I asked.

Ambassador BREMER. As long as freedom of religion is also recognized.

Mr. TANCREDO. Right, and that is why I asked what you thought it would mean if they were to say something like the official religion. That could have many interpretations.

Ambassador BREMER. Exactly.

Mr. LEACH. Mr. Hoeffel.

Mr. HOEFFEL. Thank you, Mr. Chairman. Mr. Ambassador, thank you for being here. Thank you for your service to the country. I believe Congress needs more information before we can vote on the \$87 billion requested. By virtue of the President's trip to the United Nations it seems clear that he believes we need to internationalize operations in Iraq. Many of us feel we need to internationalize the reconstruction, also the security. I think we all agree we want to put Iraq back in the hands of Iraqis as quickly as possible, and I believe we need an exit strategy.

Congress needs to know these things, and I am speaking of timetables and estimates of costs and how we will judge our progress, what standards we can use to determine how well we are succeeding or if we are not succeeding.

My first question, in your statement you talk about having a plan with milestones and dates. Can you share the milestones and dates with us regarding the internationalization that we all want to see happen?

Ambassador BREMER. Yes. What I was talking about there was the milestones related to the specifics that are in the supplemental, which I agree need to be provided to Congress. There are metrics for each of these, each of these billions of dollars there are metrics that say we hope to do this by this many months and we hope to do that by that many months.

Mr. HOFFEL. And that is in your written submission?

Ambassador BREMER. Not yet. It will be. We are still trying to work out some of the details, but it will be.

Mr. HOFFEL. And will we get that before we vote on the supplemental?

Ambassador BREMER. I certainly hope so. I mean, I have told people to get it ready.

Mr. HOFFEL. Well, that is probably going to be within 2 weeks.

Ambassador BREMER. I understand. But that shouldn't be a problem.

Mr. HOFFEL. Can you give us timetables and standards and dates for these larger questions of internationalizing security, internationalizing reconstruction?

Ambassador BREMER. Yes. I can give you my impressions but it is necessarily a little bit less precise because it doesn't involve just us. It involves by definition other countries. Let me first, though, make clear that this is already a substantial international operation. We have troops from 30 other countries already on the ground serving us and another half dozen getting ready to.

Mr. HOFFEL. May I interrupt you? You said that before and I made a note of it. My understanding, other than the British, the other 29 countries have a couple of hundred troops each.

Ambassador BREMER. No, that is not right.

Mr. HOFFEL. Could you give us the—

Ambassador BREMER. No, I am sure we can provide it for the record. The Poles have a brigade, the Ukrainians have a brigade, the Spanish have a brigade, the Dutch have a light brigade or a heavy battalion, one or the other. It is a thousand men. We can submit that for the record, I guess, unless it is classified.

Now I am being told it is classified so I already told you what I shouldn't tell you, but anyway—

Mr. HOFFEL. Are we paying those costs or are those countries paying those costs?

Ambassador BREMER. You will have to ask those questions to the military side of the Pentagon. But if you permit, I will go back and just make two other points in answer to your question.

Mr. HOFFEL. Yes, sir.

Ambassador BREMER. I have citizens from 17 other countries already on my staff in the CPA and we have pledges for reconstruction aid from 61 countries already before the donors conference.

Mr. HOFFEL. You said that before. What do those pledges add up to?

Ambassador BREMER. They add up to one and a half billion dollars.

Mr. HOFFEL. Are they like campaign pledges that I get that don't seem to materialize?

Ambassador BREMER. I can't speak to your campaign pledges, so I have a hard time answering that question.

Mr. HOFFEL. You don't want them to be the same, believe me. I hope they are much more secure.

Ambassador BREMER. I will take you at your word. In fact, if I run into any trouble maybe I will come get some advice.

Look, the discussion of internationalization now is really taking place in New York, and the item around which it is being discussed



is this question of another Security Council resolution which the President has said could be helpful. It may be helpful in two respects, one in encouraging countries to provide additional troops to the multilateral force that is there and, secondly, encouraging countries to make donations, more substantial donations to reconstruction.

Having been involved in negotiations in the UN for going on 30 years, I know enough not to guess as to what is going to happen up there. We certainly believe that the UN can play a vital role. We certainly believe that other countries can help us as they are already in reconstruction and in the military side.

Mr. HOEFFEL. It does seem that the President's trip to the UN was not successful in terms of securing commitments of more troops or more money.

Ambassador BREMER. I think if you studied the statements by the White House, he didn't go there to do that. He didn't ask countries to do that, so you can't say he didn't get it if he didn't ask for it.

Mr. HOEFFEL. Well, actually his trip was planned to celebrate the passage of a new UN resolution, and we are apparently 2 months of even getting a new UN resolution passed.

Ambassador BREMER. I beg to differ. I mean his trip has been planned for 6 months because the President of the United States always speaks on the second day of the UN G-8. It has been like that since I have been in government and that goes back 35 years.

Mr. LEACH. The time of the gentleman has expired. Ambassador, we have two of our most thoughtful Members that haven't asked a question. Would that be all right?

Ambassador BREMER. Sure. Absolutely.

Mr. LEACH. Ms. Lee, you are next and then Ms. Watson.

Ms. LEE. Thank you very much, Mr. Chairman, and thank you, Ambassador Bremer, for being here.

Of course, many of us are disturbed by what is going on, and that is no secret. I am one of those. Last fall we were told by the Administration that we had to go to war because Iraq allegedly had weapons of mass destruction and nuclear weapons or nuclear weapons program, I am not sure which, but that this posed an imminent threat to us and our allies. And then in April Congress passed an emergency supplemental of about 78 billion to fund this war to save us from those weapons of mass destruction which haven't been found yet.

Now we are being asked, the American taxpayers are being asked to pay another 87 billion installment. But this time it is for a new mission, the war on terrorism in Iraq and for Iraqi reconstruction. Mr. Ambassador, the American people want to know how this 166 billion now is being spent, what our exit strategy is and just how much we are going to have to pay to build Iraqi houses, connect Iraqi electrical grids and construct Iraqi schools. And it is not that we are isolationist or begrudge the Iraqi people. Our country bombed the country and we should rebuild what we destroyed.

I must say that I am a bit taken aback by your comment that you indicated you didn't know how many Iraqi civilians have been killed, because this is quite an important bit of information to know, just in terms of reconstruction efforts.

And so I guess my first question is, how much out of this \$20 billion is actually for repairing the damage that our bombing did versus—and we are responsible for that, but versus long-term development efforts that of course will bring millions of dollars in probably no-bid contracts to Halliburton and Bechtel and other corporations. So I would like to know about that 20 billion, what is it, how much out of that is based on the damage that we have created versus long-term development efforts?

Secondly, I just want to know how we convince the people to support \$87 billion when we are told that there is no money for education in America, for infrastructure or housing in our own country.

And finally, let me just comment on this in terms of what you said as it relates to the Iraqi Governing Council. I guess if we want to turn Iraq over to the Iraqi people, it seems curious to me that you are already disagreeing with the Iraqi Governing Council in terms of the real cost required for reconstruction. Obviously, they are going to be the people involved in this. They should know. And why would we not want to believe them when this is their country and they have asked us to look at this again?

Those are my three questions, and I would like to hear your response. And again thank you for your service and thank you for being here.

Ambassador BREMER. Thank you, Congresswoman. It is very hard to parse exactly what out of this is repairing war damage, because you have got \$5 billion in here to create a police force and an Army. And the reason for that is because that will allow us, as I said in my opening remarks, to put an Iraqi face on security faster, which in turn allows us to get out faster. And I think that is money well spent. It is spent on Iraq's security, but it is also spent on our security. So you have to go through it almost line by line.

We did substantial damage to the electrical transmission systems during the war that has to be repaired. But a lot of the money here, as I said in my opening statement, is money that is an effort to try to put Iraq into a safe environment where we succeed.

And I think it is important, Congresswoman, you used and Congressman Schiff used the term—no, Congressman Hoeffel used the term “exit strategy.” I think we need to be very careful not to use that term. It is not that we shouldn't have a plan for an end state, but that if we talk an awful lot about exit strategies, what we are doing is encouraging our enemies to say we can out wait the Americans. We encourage the terrorists to think they can win there and they can't win there. We will stay there until the job is done, as the President has said. I don't know how long that will take. Of all the people, I am the one who wants it to be less time rather than more.

On your question as to turning it over to the Iraqis, of course we do want to turn it over to the Iraqis. And as I said in answer to the earlier question from Mr. Delahunt, if the Iraqi Governing Council has some way to save us money as we go forward we should pay attention to that, and we will. But these figures were agreed upon by the Iraqi ministries. These are not numbers that we made up. These were worked on with the Iraqi government. They understand that. There were two members of the ministries, two ministers here earlier this week who met with many people in

Congress and met with the President, talking in particular about electricity and water resources.

So we will work very closely with the Iraqis on these issues, and if they come up with better ideas, we are certainly open-minded.

Mr. LEACH. Ms. Watson.

Ms. WATSON. Thank you, Mr. Chairman. Let me just say thank you, Ambassador, for your very candid response, and I must say this sounds like, especially based on your comment with regard to the exit strategy—and I am sorry that we are—thank you, Mr. Ambassador. I want to thank you for allowing yourself to come here and not being able to give the information that somebody else has and didn't share with you. You are being used.

I would hope that someone could come here and answer our question. So let me apologize for putting you on the spot in the hot seat, because you cannot give us the information we need upon which to determine if—I am not voting \$87 billion. So just put it there up front, because I have not been given the information upon which to make a decision as to how we use taxpayers' money. I cannot really find what that clear vision and clear plan is, and these are your words. I took down your words. I haven't heard it yet. I haven't heard an exit strategy, and what you just said in response to Ms. Lee is that we shouldn't use that term "exit strategy." So that means it is open-ended.

I haven't heard an estimate of what you think it is going to cost for us to continue to occupy Iraq.

I haven't heard how long it is going to take to develop a Constitution and who would do it, but I do see in the request that there is \$140 million for State Department operations, which provides secure temporary State Department facilities in Iraq and ensures that funds are available to pay rewards in the war on terror. We were told by the President the war on terror was over. We were told May 1st that the conflict was over, and we have lost more human beings, American human beings since we were told the conflict was over.

I heard you say that you could not give us the figures of how many human beings who are of Iraqi descent have died. That is very, very disturbing to me.

My decision will be based on information. This Committee met before. There was a vote that said we could not request from this Committee the report that supposedly is in draft form that tells us what we did well and what we did not do so well. Shock and awe was a shock and awe to me. We were glorifying the invasion, and I am sure innocent people were killed because you couldn't target that specifically.

I am shocked and awed that we did not know the condition of the infrastructure before we went, because there was an imminent—and these are the words I heard today—imminent and urgent need to strike now. And I am appalled that we are treating it so lightly, and, Mr. Bremer, I must really apologize to you because I am not putting it on your shoulder. You are not the person for me to put it on. You are trying to do the best you can do, but if you don't have the information, if you don't have the report—and I think that was the response I heard earlier. We don't have the information. It is kept from us. Then how do we plan for the fu-

ture? And so would you respond to the best of your ability to how long you think we have to stay there in occupation and what you think will be the cost; and why you feel that our allies that we insulted, we made fun of, Germany, France, Russia, particularly France, that they are going to kick in the supplemental money that we are going to need? And do you think that you are going to have to come back to us again like we are going back to these countries and ask for additional supplements?

Ambassador BREMER. Thank you, Congresswoman. Let me just be clear on the point about exit strategy, it was not that we shouldn't have a plan, but that I am very uncomfortable with using that term publicly because I think it encourages our enemies. That is my only point about exit strategy.

The second point, as far as I know, the President never said the war on terror was over. In fact, if you read his speech on September 14, 2001, he very explicitly said this is going to be a long war and it is going to take years, and he has repeated that over and over. He never said the war on terror was over.

Ms. WATSON. Would you yield for a second?

Ambassador BREMER. Of course.

Ms. WATSON. We were sitting in the Chambers when he said that. I am going to get the tape, and I will send that to you.

Ambassador BREMER. He has never said the war on terror was over, ma'am, never. And he has repeated—

Ms. WATSON. Well, why don't we just get the tape of that session—

Ambassador BREMER. He repeated on Tuesday in York that the war on terror was an ongoing war, and he called on the world to help us in it.

On the point about innocent people killed, I am sure there were innocent people killed, but I am also sure that there is no example in military history of—

Ms. WATSON. No. No. No. No. That is not the answer that I want to hear. I want to hear—

Ambassador BREMER. Excuse me. Can I answer your question, Congresswoman?

Ms. WATSON. Hold on. Yield for a minute so that you can give me a direct response to the question I am asking. I am not talking about any other war. I am talking about this invasion, this war of choice in Iraq. Can you give me a number of innocent civilians that were killed? I don't think you can.

Ambassador BREMER. No. I said I couldn't.

Ms. WATSON. Okay. Fine. That is the answer. Go on to the next question. Thank you.

Ambassador BREMER. No. That is true of every war in—that is true, madam, of every war in recorded history. We still don't know how many innocent people—

Ms. WATSON. Don't waste my time. You answered my question.

Ambassador BREMER. Your time is up already, ma'am. You are on my time now, and I will take—

Ms. WATSON. I surrender—

Ambassador BREMER. With the indulgence of the acting Chair, I will take a minute to answer this question.

Ms. WATSON. I am through. Give my time—I yield back the rest of my time.

Ambassador BREMER. Good. May I take the rest of her time and answer this question, Mr. Chairman?

Mr. LEACH. Of course, Ambassador.

Ambassador BREMER. There is no war in recorded history where there is an accurate record of innocent civilians who have been killed. We still don't know how many innocent people were killed in the Korean War. We don't know how many innocent people were killed in the Second World War, and historians have had 50 years to study that matter.

So let's start with the proposition that this was a war where less collateral damage was done than any war in history, where in 3 weeks the brave young men of the coalition freed a country of 25 million people from one of the great tyrannies of the century. Let's keep a little bit of perspective as we discuss this matter and not try to make rhetorical points about innocent people getting killed. It is always a tragedy when innocent people get killed, but let's remember what happened here.

Mr. LEACH. I appreciate that. The only other addition I would make to this, there is always a perspective in all events, and it would be intriguing just to take approximately a decade period and try to assess how many Iraqi innocents were killed by Saddam Hussein and then tie it into the period we are in. It is quite possible far fewer are being killed, for example, today than over this decade, moreover, the last 6 months than over that decade. And that I think would be a very relevant kind of—

Ambassador BREMER. That is a good point, Mr. Chairman. The minimum number of civilians killed by Saddam, according to respected human rights organizations, is 300,000. We are well short of that.

Mr. LEACH. Let me thank you. These are tumultuous times, and they are also very difficult judgment call circumstances. However people come down on issues, I want to just express the respect of the Committee that very good Americans are doing the best they can, and we are very appreciative, and we thank you. We thank Tom. We thank Walt. We thank all the people who are working with you.

The Committee is adjourned.

[Whereupon, at 6:16 p.m., the Committee was adjourned.]



## A P P E N D I X

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### MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE NICK SMITH, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF MICHIGAN

Mr. Chairman, thank you for convening this most timely of hearings today to receive testimony and have our questions and concerns addressed on this most significant of issues. This hearing is particularly timely not just because of the President's U.N. address and Congress' recent receipt of the Supplemental request, but also because the public discourse on this issue seems to have taken an increasingly bitter, mean-spirited, and ultimately irresponsible direction in the recent weeks.

Four months ago when we first sat in this committee chamber to review the administration's reconstruction efforts, critics of President Bush were already testing their voices by judging and criticizing the administration's actions. Not even four weeks after the end of major hostilities, there was criticism of the Administration for failing to provide instant power, instant oil production, and immediate total security. Military victory in Iraq had been achieved in record time, with minimal civilian and American casualties, and without triggering the nightmare scenarios of inter-ethnic violence, mass migration, or pestilence as feared before the war. What may have been underestimated was the looting by Iraqis and the immigration of terrorists from other countries.

Of course, more positive stories are out there, but these are generally overlooked. The National Democratic Institute for International Affairs report on *Post-War Perspectives from the Iraqi Street* indicates that Iraqis are excited about the prospects of democracy and fear a return to instability if coalition forces leave, even though they don't necessarily love America's presence. Similarly, Gallup survey results released this week report that 67 percent of Iraqis surveyed say their lives will be better in five years than before the invasion, but these stories are not as sensational as news of ambushes and attacks. Mr. Bremer, every time one of my colleagues goes over to Iraq to see the progress that you, our troops, and our coalition partners are making, they always seem to return impressed. They report that our accomplishments there are much greater than anything the hype of media reports, incumbent Senators, or presidential nominees would dare give our troops credit for.

Still, there is one area where I fear the Administration's efforts are lagging. While doing an excellent job of pursuing a Herculean task on the ground and keeping Congress informed and updated on progress, I fear that the Administration is not doing enough to keep the general public—foreign or domestic—advised. In this vacuum of information, our enemies are free to spread whatever propaganda suits their purposes. Even more unfortunately, it seems their actions are assisted by individuals in this House, in the Senate, and on the campaign trail who are more than happy to undermine American resolve and question motives in the most cynical of fashions. Outside the bounds of thoughtful and constructive debate, the most divisive of these attacks signal weakness to our enemies and embolden their efforts. Instead of telling them that they face an implacable foe, they provide terrorist recruiters with the image of a superpower in turmoil, racked by doubt and teetering between victory and retreat.

Mr. Chairman, Mr. Lantos, I'd like to thank you for your leadership in maintaining this Committee's air of statesmanship and civility in contrast to some of the rhetoric we're seeing elsewhere around town. Mr. Bremer, I hope that you in your capacity, and the White House in its own, will find a more effective way to communicate to the public the historic accomplishments now being made in Iraq. I salute your efforts and empowered with your testimony, I hope my colleagues and I can take

a more active role in helping to communicate this message as well. Mr. Chairman, thank you again for this opportunity and I yield back the balance of my time.

PREPARED STATEMENT OF THE HONORABLE RON PAUL, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF TEXAS

Mr. Chairman: I would like to welcome Ambassador Bremer and I appreciate his appearance before the Committee.

There is much talk about the “new Iraqi democracy,” even in the Ambassador’s statement today. But to refer to Iraq today as a “democracy” distorts that word beyond recognition. Currently in Iraq there is a foreign ruler with absolute power over the country, which itself is occupied by foreign troops. There is a foreign-appointed governing council, which in turn appoints its ministers and assistants. There have been no elections. There is no freedom of the press.

When elections finally do come to Iraq, they will not likely be free of external influence. As has already occurred in the former communist countries of Central and Eastern Europe, the United States, through its various state-funded “non-government” organizations and other international institutions, like the Organization for Security and Cooperation in Europe (OSCE), will likely strongly influence which parties and candidates will be eligible to run for office. Much of this will be done according to current “politically correct” views in the US—numeric quotas for women, minorities, etc. These parties and candidates will be given considerable sums of U.S. taxpayer money and political support to help ensure their victory. These elections will follow the writing of an Iraqi constitution by Iraqis selected by the United States. This is how “democracy” was built in places like Slovakia, Bosnia, Albania and elsewhere. Now we are going to try it in Iraq.

I don’t have a lot of faith in this approach to create “top-down” democracy. In fact, I find it astounding that on the one hand we need to “train and educate” the Iraqi people on how to attain a US-style democracy while at the same time we are saying that the Iraqis need to take control of their own government. If the Iraqi people are so in need of “re-education” on the workings of democracy, is it not logical that in absence of this “re-education” the Iraqis might not choose the kind of government we would like? What then? Does anyone else see the contradiction in this approach?

To further illustrate this predicament, the only thing possibly worse than the “democracy” we are building in Iraq is the alternative: If truly free elections were held in Iraq they would likely result in the selection of a radically pro-Islamic theocratic regime, likely friendly to countries like Iran and hostile to the United States. This scenario, ironically, is all the more likely following the US intervention in Iraq. Consider the thousands and possibly tens of thousands of Iraqi civilians who were killed in this intervention. Each of them has a family. Does anyone care to guess their attitudes toward the United States—whether or not justified?

Some have suggested that these numbers are irrelevant, but I keep thinking of what we as Americans would think if the Chinese decided that they had to protect their oil and occupied the Gulf of Mexico like we occupy the Persian Gulf. What would we in Texas think if we had a foreign air base on our homeland in Texas? There would be a lot of resentment among the civilian population. Perhaps Lieutenant-General Ricardo Sanchez was thinking of this last week, when he told the *Times* of London, “We have seen that when we have an incident in the conduct of our operations when we killed an innocent civilian, based on their ethic, their values, their culture, they would seek revenge.”

Ambassador Bremer says here today that the majority of Iraqis greeted the United States after our invasion, but the *New York Times* recently quoted a Defense Department official as admitting that, “New intelligence assessments are warning that the United States’ most formidable foe in Iraq in the months ahead may be the resentment of ordinary Iraqis increasingly hostile to the American military occupation.”

Until now, all those resisting the occupation were written off as “elements of the Saddam regime” or “international terrorists.” Does it not now appear that these attacks are coming increasingly from average citizens, many of whom appear to be out for revenge for the loss of non-combatant family members killed in the US intervention and thereafter? Yet it appears from Ambassador Bremer’s testimony that the administration has not even attempted to calculate the number of Iraqi non-combatants killed. This means that the administration has no idea how many people might be seeking revenge against our troops in Iraq.

Mr. Chairman: the hubris in thinking we can remake Iraq in the US image is astonishing. Yet, in reading the Coalition Provisional Authority plan—which the American taxpayer will fund—it is obvious that the plan is to re-make Iraq in the



US image down to the most minor detail. It is a blueprint for nation-building in the extreme. The plan for Iraq is not only unrealistic, it also calls for social-engineering types of programs that would be highly controversial even in the United States—not to mention in a society steeped in a thousand years of Islamic tradition.

The plan will provide for re-training for unemployed Iraqis—while Americans in increasing numbers are finding themselves out of work. The plan will spend a good deal providing for Iraqi border security—while our own borders remain as porous and vulnerable as ever. The plan will re-write and re-create Iraq's legal system, penal system, financial system, housing, health care system, food distribution system, social service system, transportation infrastructure, education system, water system, tax system, media, electoral system, political party system, postal system, system of local governance, and so on.

Does anyone stop to wonder how sending tens of billions of dollars to build what will be essentially a statist economy in Iraq will produce a free and democratic society? Where will all of this end? How many billions of dollars and how many more lives must be spent on our mistaken belief that we can re-make the Middle East in our own image? What if we are still there in Iraq in five years? What if by then we have lost 5,000 men and have spent over a trillion dollars and we still have chaos over there? Will it take that, Mr. Ambassador, for you to be willing to say that we should reassess whether or not we should even be there?

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PREPARED STATEMENT OF THE HONORABLE JOSEPH R. PITTS, A REPRESENTATIVE IN  
CONGRESS FROM THE COMMONWEALTH OF PENNSYLVANIA

Chairman Hyde, I would like to thank you for convening this hearing today on President Bush's request for a Fiscal Year 2004 supplemental appropriations request to continue the War on Terror.

As we speak, many are intent on attacking President Bush, the CIA, the NSA, the Pentagon and others. It is clear to me that these efforts are motivated by politics and not policy. Today's political climate is so partisan that the fundamental truths about the war are being ignored in an attempt to gain political advantage.

It is important to recognize that we are succeeding in post-war Iraq. The habits formed after thirty years of living under a dictatorship cannot be reversed overnight. People not used to voicing their opinion at a town meeting or working to establish elections do not warm to these democratic ideas easily.

It took three years for us to even approve the Marshall Plan after Nazi Germany fell to Allied Forces in 1945. During those three years our success there was mixed at best. Germany had growing pains as it established itself as the dominant economic power in Europe.

I think our progress has been remarkable. More and more Iraqis are cooperating in our search for Saddam Hussein and his henchmen. And, more importantly, more and more Iraqis are participating in the rebuilding of their own country.

We have established local and national governing councils. We expect free, national elections to take place within a year. Most schools and hospitals are up and running. We are making progress in restoring water and power to full operating capacity.

And, everyday, we are rooting out the remnants of Saddam Hussein's regime. To continue that progress will take resolve and patience. We should stick to our exit plan, but keep our promise to leave Iraq free and stable, a shining city on a hill.

A Gallup poll conducted August 28 through September 4, 2003, surveying 1,178 Baghdad residents has found that *even in Baghdad, part of the so-called "Sunni Triangle" where most violence has occurred, residents by more than 2-to-1 (62% to 30%) say ousting Hussein was worth any hardships. The margin was even higher, nearly 5-to-1 (78% to 16%), in region of Sadr City (formerly Saddam City), which suffered some of harshest deprivations under Hussein.*

Among Baghdad residents:

- 87% offer positive (61%) or neutral (26%) ratings for Iraqi Governing Council.
- 73% offer positive (47%) or neutral (26%) ratings for Administrator L. Paul Bremer.
- 68% offer positive (36%) or neutral (32%) ratings for Coalition Provisional Authority
- *By 36-point margin (50% to 14%), Baghdad residents say Coalition Provisional Authority doing better job now than it was two months ago.*
- *Nearly seven in ten expect Iraq will be better off than under Hussein.*

- By 67% to 8% margin, Baghdad residents say Iraq will be better off in five years than before Coalition action.
  - *An American Enterprise Institute/Zogby survey of 600 Iraqis in four major cities, conducted in August, similarly found a 71% to 14% margin saying they will be better off in five years.*
  - Additionally, a group of House lawmakers just back from Iraq are claiming that media coverage of the situation in Iraq is “a biased and unnecessarily negative portrayal of the military and political progress in the newly freed Middle East nation.” (Jeff Johnson, *CNSNews.com*, September 24, 2003.)
  - Mr. Chairman, no one knows what the total cost of rebuilding Iraq will be. Due to antiquated facilities, looting, power shortages, and sabotage, oil revenue is less than what we had hoped.

In late August 2003, Iraq was producing an estimated 1.7 million barrels of oil a day, down from the prewar average of 2.5 million to 3 million barrels a day. Planners estimate that production will return to prewar levels by October 2004; however, even when that occurs, oil revenue alone will not be enough for reconstruction costs.

The United States already has commitments from 45 other countries that have pledged money for reconstruction, and fifteen countries have representatives on the Baghdad-based Council for International Coordination, which reports to our distinguished witness, L. Paul Bremer, Presidential Envoy to Iraq. The Bush Administration is also sponsoring a donor conference in Madrid, Spain this October to raise additional funds for the effort.

On September 7, 2003, President Bush requested an addition \$87 billion to continue the War on Terror. Of this funding, \$21 billion would be used to rebuild Iraq, Afghanistan, and the other nations that have been ravaged by decades of misrule, and \$66 billion would be used to provide our own troops with the supplies they need.

Finally, only two days ago, President Bush addressed the United Nations in New York, stating “Now, the nation of Iraq needs and deserves our aid, and all nations of goodwill should step forward and provide that support.”

I believe that we must provide our men and women in uniform with the funding and supplies necessary for them to do their jobs and then return home safely.

I look forward to the testimony of Ambassador Bremer and his first-hand knowledge of the reconstruction effort in Iraq.

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QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE CASS BALLENGER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA, TO THE HONORABLE L. PAUL BREMER, III, TOGETHER WITH AMBASSADOR BREMER'S RESPONSES

**RESPONSE TO REP. BALLENGER'S QUESTIONS ABOUT IRAQI OIL**

**Question:** It has come to my attention that American oil companies wishing to purchase Iraqi oil have been effectively barred from doing so. First, when Iraq's State Oil Marketing Organization (SOMO) announced the initial tenders for the first spot sales of crude oil in June, only companies who had dealt with SOMO during Saddam's regime were invited to bid. Companies new to Iraq who requested the General Terms and Conditions for the sale (information essential for bidding) were ignored by SOMO. Second, when SOMO began to negotiate medium-term contracts, it did so in "private" negotiations with companies (mostly foreign) with whom it had done business before. Again, the American company who had been trying to participate was pointedly ignored. Third, in spite of requests to your office made by several members of Congress, no satisfactory answer has been received. We would like to know from you why American companies who did not deal with the Saddam regime are being excluded.

**Answer:** There have been no restrictions on United States oil companies seeking to buy Iraqi oil. On the contrary, United States companies have been among the most prominent buyers of Iraqi oil since the first tender offered by Iraq's State Oil Marketing Organization (SOMO). The trade press has detailed this. In that first tender in June over fifty bids were submitted and United States companies were among the winners. It is true that SOMO has privately negotiated its medium-term deals, but this is customary for many regional oil producers. Also, United States companies have figured prominently among these contract awards as well.

SOMO's general policy is to sell to large, reputable "end users" of crude oil (i.e. refiners). This policy is designed to minimize risk, to maximize Iraqi exports, and to build Iraq's standing in the world oil industry. The buyers of Iraqi oil include Exxon-Mobil, Conoco/Phillips, and Chevron/Texaco. Also, the United States has been a significant receiver of Iraqi oil. As of the beginning of October 2003, 53 million barrels of crude oil (66% of the total) left Iraq destined for the United States.

The Coalition Provisional Authority (CPA) is aware of only one United States company that has complained about SOMO's business practices. The company in question is small with limited refining capacity, and the company's desired purchase quantity indicated it would not be the end user of the entire purchase. These reasons led SOMO to other buyers that better fit its strategic goals.

**RESPONSE TO REP. BALLENGER'S QUESTIONS ABOUT IRAQI OIL**

**Question:** At yesterday's hearing before the House Appropriations Committee on Wednesday (9/25/03), Ambassador Bremer stated that expenses would be controlled by making sure that all contracts were awarded in an open and transparent manner. But, on the revenue side, no such controls appear to exist. SOMO has been conducting tenders on spot contracts and private negotiations on medium-term contracts without any possibility of newcomers to participate in the bidding process. Why is the same openness and transparency not demanded in controlling the revenue side?

**Answer:** SOMO tenders were open and published in Reuters, Platts, Dow Jones, Argus, Bloomberg, and Middle East Economic Survey. SOMO's medium-term contracts were by invitation only. Medium term contracts have been the result of several factors. As more production has come on line, SOMO has had to dispose of it on short notice or risk shutting down production. This is customary for many oil producers. The contracts awarded went to large, well-known companies, with United States companies receiving over one-third of the contracted amounts. SOMO is following practices widely accepted within the oil industry.

**RESPONSE TO REP. BALLENGER'S QUESTIONS ABOUT IRAQI OIL**

**Question:** It was common practice during the Saddam era for SOMO to add special "surcharges" to the price of oil sold under the UN oil-for-food program. These funds were effectively skimmed off the top by SOMO and placed in secret bank accounts for the exclusive use of the Iraqi government in a manner totally outside UN supervision. What steps have been taken by the Coalition Provisional Authority to ensure that the old accounts have been dismantled and that the selling price for oil contracts is in fact the price paid by the buyers?

**Answer:** The entire Iraqi banking system collapsed with the fall of the Saddam regime; therefore, accounts internal to Iraq no longer exist. Accounts external to Iraq are being identified and the funds returned to the people of Iraq. Although SOMO's records were destroyed when the Saddam regime was removed, SOMO employees have been and continue to be of great assistance in locating these assets.

SOMO has specifically targeted clientele that are highly reputable, world class oil companies. This is done to build SOMO's reputation, but also to help ensure that there are no improprieties in the crude oil transactions.

Iraqi crude oil is sold on the basis of official selling prices announced during the beginning of the month preceding month of loading. Buyers submit letters of credit to the New York Branch of the Federal Reserve Bank. Payment is usually made within 30 days of loading. The CPA monitors the quantity of oil exported, its price, and deposits into the Development Fund for Iraq.

**RESPONSE TO REP. BALLENGER'S QUESTIONS ABOUT IRAQI OIL**

**Question: Many (if not most) of the companies that dealt with SOMO under the Saddam regime engaged in practices which violated the terms of the UN sanctions. What steps have been taken by the CPA to identify such companies and prevent them from continuing to deal with SOMO? Is there not a security risk here in that these illicit funds may be used to finance the ongoing attacks against our troops in Iraq?**

**Answer:** CPA is unaware of any illicit funds being funneled from Iraqi oil sales since the fall of the former regime and would appreciate any information to the contrary. The clients receiving Iraqi oil are well-known, reputable oil companies such as Exxon-Mobil, Chevron/Texaco, Conoco/Phillips, Marathon, Shell, British Petroleum, and Koch. The trading companies that dealt with SOMO before liberation and may have funneled money to the regime were small and relatively new to industry trading companies that bought crude oil from Iraq and re-sold the crude in the global markets. As part of CPA's oversight of SOMO sales, the names of companies are reviewed.

**RESPONSE TO REP. BALLENGER'S QUESTIONS ABOUT IRAQI OIL**

**Question:** The CPA has been reluctant to request SOMO to meet with companies who are interested in bidding on future oil sales. The reason given for this reluctance is the desire to not appear to be influencing how SOMO and the Iraqi Oil Ministry conduct their business. I find it incredible that we can kick down the door of an Iraqi home if we suspect that Saddam may be sleeping inside, but we cannot risk requesting that SOMO consider opening up the bidding process to new entrants. Do you plan to take any steps to review and audit the procedures used by SOMO to award past oil contracts?

**Answer:** It is CPA policy not to request SOMO to meet with companies interested in bidding on future oil sales. As the temporary governing body of Iraq, CPA has a tremendous influence, both direct and indirect, over SOMO as well as the entire Ministry of Oil. However, CPA will pass requests for meetings it receives to SOMO. SOMO decides whom to meet and to sell Iraqi crude oil. This policy allows SOMO the freedom to execute its business strategy which the CPA approves, and the policy prevents the perception that the CPA is controlling Iraqi oil.

Plans have been discussed to review/audit the procedures used by SOMO. SOMO's sales policy, approved by the CPA, is to sell to large, highly reputable end users of Iraqi crude oil. This policy minimizes risk, maximizes exports, and builds Iraq's standing in the industry. Purchasers of Iraqi crude oil include Exxon-Mobil, Chevron, Texaco, Conoco Phillips, Shell, and British Petroleum.

