

**Senate Foreign Relations Committee
Chairman Richard Lugar
Opening Statement for Hearing on**

**IRAQ: STATUS AND PROSPECTS FOR RECONSTRUCTION – RESOURCES
July 29, 2003**

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

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

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

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

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

Last week, similar concerns were outlined clearly by Dr. John Hamre and his team of experts commissioned by the Department of Defense to assess reconstruction efforts in Iraq. Their excellent report offers 32 recommendations to help solve many

problems. We understand that the Department of Defense has praised this report and is beginning to implement some of these recommendations.

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

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

Another idea that the Administration should explore is the prospect of opening a "backstopping" coordinating office in Washington that mirrors the effort in Baghdad. Such an office must be structured to help cut through micromanagement and bureaucratic delays in the decision making process. The Hamre report states: "The Coalition Provisional Authority (CPA) is badly handicapped by a "business as usual" approach to the mechanics of government, such as getting permission to spend money or enter into contracts." Dr. Bolten, we will look to you today to explain how resources for Iraq are being managed. Our Committee wants to be helpful to you in ensuring the most effective use of resources possible.

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

Congress also has been a co-conspirator with the Administration in failing to advance a predictable multi-year budget for operations in Iraq that would demonstrate American vision and commitment, attract allied support, and clarify the scope of our mission to the American public. Many members of Congress have called for short-term cost estimates from the Administration, but few seem willing to offer the White House a true partnership in constructing a four- or five-year budget plan that would provide a sober accounting of the needs in Iraq and the means to fund them.

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

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

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