

CATO INSTITUTE POLICY FORUM

TEN YEARS AFTER THE GULF WAR:

THE LESSONS AND FUTURE OF WASHINGTON'S IRAQ POLICY

Monday, February 26, 2001

Moderated by:

Gary Dempsey

Featuring:

Ambassador Edward Peck, Former Chief of Mission,

U.S. Embassy Iraq;

Laurie Mylroie, Author, "Study of Revenge:

Saddam Hussein's Unfinished War against America";

Ivan Eland, Director,

Defense Policy Studies, Cato Institute

The Cato Institute

F.A. Hayek Auditorium

1000 Massachusetts Avenue, NW

P R O C E E D I N G S

MR. DEMPSEY: Good afternoon, and welcome to the Cato Institute. My name is Gary Dempsey. I am a Foreign Policy Analyst here at the Institute, and I will be moderating today's panel.

As many of you know, this month marks the 10-year anniversary of the end of the Persian Gulf War. Baghdad, however, has intensified its saber rattling, and U.S. air strikes continue to occur. The Gulf War coalition, meanwhile, is fraying at the edges. And in France, Russia, and Turkey, there is growing opposition to the longstanding embargo. In Washington, the new Bush administration has voiced concern that Baghdad is still a source for instability in the region and there is increasing bipartisan support for supporting Iraqis seeking to oust Saddam Hussein.

Today we are privileged to have three experts here to discuss the lessons of the past ten years and what the future of Washington's Iraq policy should be. Our first panelist is Dr. Laurie Mylroie. Dr. Mylroie is a Vice President of the Washington-based Information for Democracy and an internationally recognized expert on Iraq and the Middle East.

She is the publisher of Iraq News, an online e-mail newsletter, and an Iraq analyst for the Middle East Intelligence Bulletin." Dr. Mylroie has just published a new book, "Study of Revenge: Saddam Hussein's Unfinished War against America," copies of which are available outside. Her previous book, "Saddam Hussein and the Crisis in the Gulf," was a number one best seller on the New York Times best seller list and was translated into 13 different languages.

Her articles have appeared in Jane's Intelligence Review, The National Interest, The New Republic, Newsweek, and several other major newspapers. Dr. Mylroie received her Ph.D. in political science from Harvard University and her B.A. from Cornell University. Please welcome Dr. Laurie Mylroie.

(Applause.)

LAURIE, MYLROIE, PH.D., AUTHOR,

"STUDY OF REVENGE:

SADDAM HUSSEIN'S UNFINISHED WAR AGAINST AMERICA"

DR. MYLROIE: Thank you, Gary, for that very kind introduction, and thank you all for coming.

The Gulf War is not over. It's not over for us in ways that are obvious. The sanctions we impose on Iraq came out of the Gulf War and cause suffering on the Iraqi population. And

then we bomb Iraq from time to time. I think those are points that people are familiar with. What I want to discuss in the 15 minutes or so that I have are the ways that the Gulf War is not over for Saddam Hussein, and that involves two things. It involves terrorism and the weapons of mass destruction that he retains in flagrant violation of the formal cease-fire to Gulf War Resolution 687.

Now, the question of the weapons is fairly well known. UNSCOM did a lot to bring that point out. There haven't been any weapons inspectors in Iraq for over two years. And I can assure you that absent the weapons inspectors, Saddam is building the weapons that he is not supposed to have. So, what I want to talk about -- and we can talk about the weapons at Q&A -- but what I want to talk about now is terrorism.

The bombing of New York's World Trade Center building in February 1993 -- in fact, today is the eighth anniversary of the bombing of the World Trade Center -- is said to mark the start of a new kind of terrorism. It is said that unlike the old terrorism, which involved states, the new terrorism does not involve states. Instead, it is carried out by individuals or loose networks. And the most recent manifestation of what is said to be the stateless terrorism is Osama Bin Laden.

Now, this view that there is a new kind of terrorism is specifically associated with the Clinton administration, because

the World Trade Center bombing, the start of this supposedly new terrorism, occurred one month into Clinton's first term in office. Yet, this notion that there is a new form of major terrorism that does not involve states, which is what the terrorism experts say, is contradicted by another very prevalent view of late that is put out by the defense community.

The defense community says that there's something called asymmetric warfare. That is, the U.S. is so powerful, so technologically advanced, that no state can beat it on the conventional battlefield. And that's correct.

The claim is also by the defense community that these states, these hostile states, they aren't going away just because they can't beat the United States on the conventional battlefield. Rather, the warfare will take a new form. And that new form will involve terrorism and sabotage to a much higher degree than before, because they can't beat the U.S. on the conventional battlefield. And they call it asymmetric warfare. That terrorism includes terrorism inside the United States.

And what this book "Study of Revenge" argues is that there is not a new form of terrorism that doesn't involve states; there is asymmetric warfare. The major acts of Middle Eastern terrorism directed against the United States, starting with the World Trade Center bombing, are Iraq -- Iraq working with Muslim

extremists, with Muslim extremists who are put up front and are meant to take the blame.

Now, why would I say this? Well, this idea that there is a new form of terrorism comes out in the bombing conspiracies in New York in the first part of 1993, the Trade Center bombing, and then the next plot a few months later to bomb the United Nations, New York's Federal Building, and two tunnels.

Let me explain briefly about the Trade Center bombing. New York FBI strongly suspected that Iraq was behind that bomb, that it was a false-flag operation, run by Iraqi intelligence, with the Muslim fundamentalists meant to be arrested. The bomb was huge. The bomb was meant to topple New York's tallest tower onto its twin, and, according to its mastermind, the elusive shadowy Ramzi Yousef, to kill 250,000 Americans by toppling that tower.

The bomb left a crater in the basement floor of the World Trade Center building six stories deep. There were Iraqis all around the fringe of the plot. One of those Iraqis is an indicted fugitive. He came from Baghdad before the bombing and returned to Baghdad after the bombing. But you certainly don't hear much about him. That is why, for all those reasons, and because the Trade Center bombing happened roughly upon the anniversary of the end of the Gulf War -- Kuwait's liberation today -- those are all the reasons why New York FBI suspected

that Iraq was behind that bomb. And to suspect something like that is significant. Of course, the Clinton White House didn't want to hear it.

But you can go further than just suspect that Iraq was behind that bomb. I think you can demonstrate to the very high legal standard, beyond a reasonable doubt, that Iraq was behind that bomb. I do that in my book. The demonstration revolves around the identity of the mastermind of that bombing, Ramzi Yousef, and documents associated with his identity. Now, that demonstration is a little complex, a little long. I don't have time for it, but if someone wants to ask me in the Q&A, I'd be happy to address it.

Now, that's the first plot. What about the second?

Following the Trade Center bombing, New York FBI launched an undercover operation aimed at teaching the Muslim extremists in New York a lesson. They had an Egyptian working as an informant for them. And the Egyptian went around proposing jihad. And a Sudanese emigre picked up the bait to make jihad. This is a perfectly legitimate law enforcement technique.

Now, the Sudanese emigre who wanted to make jihad, his first target was a Manhattan armory. But he had two "friends" -- Sudan's U.N. mission, intelligence agents -- and they suggested that he bomb the United Nations. They would give him diplomatic plates so he could get his bomb-laden van into the U.N. parking

garage. And then Sudanese intelligence agents added the other targets: the Federal Building and two tunnels. This is havoc and mayhem. It's asymmetric warfare.

Now, this was an FBI undercover operation. But it's not understood as such. And Sudanese intelligence became involved in selecting the targets. But that's not understood either, even though U.S. authorities were aware of Sudan's involvement because they were running the plot.

Moreover, it seems that they thought that Sudan was fronting for another country. Because U.S.-Sudanese relations weren't that bad in 1993. Sudan was not even on the official list of terrorist states. So, it didn't seem to be Sudan alone, but Sudan fronting for another country and U.S. authorities thought, in terms of fundamentalism, and they thought of Iran.

But Iran has no quarrel with the United Nations. The most important thing for Iran, particularly back then, 1993, was a cease-fire to the Iran-Iraq War. And the cease-fire to the Iran-Iraq War, a U.N. resolution, says that Iraq was the aggressor in that war and that Iraq owed Iran tens of billions of dollars for starting the war. So, Iran has no quarrel with the U.N.

But who has a quarrel with the U.N.? Under whose auspices was the Gulf War fought and sanctions maintained? Of course... And Sudan has very close relations with Iraq. Both

are Arab states, both our Sunni Muslim states. Sudan supported Iraq during the Gulf War and afterwards. And Iraq makes a lot more sense than Sudan as a hitting hand in the conspiracy whose first target was the United Nations. Two days after they arrested the conspirators in that plot, United States hit Iraqi Intelligence Headquarters, Bill Clinton said this was for Saddam's attempt to kill George Bush.

But it's my impression, based on dealings with Martin Indyk then, and subsequently he was NSC advisor in the Middle East, and on leaks to The New York Times from the White House, that Bill Clinton and his top advisors thought that the strike on Iraqi Intelligence Headquarters two days after the arrest of the people in the second plot would take care of the New York bombing conspiracies, as well, that it would deter Saddam from all future acts of terrorism, not just the attempt to kill George bush, and that it would show Iran and Sudan that the U.S. was tough and they should stop meddling around.

But, of course, as I told Martin Indyk in December of 1994, one strike on an empty building at night is not going to stop Saddam forever. And it didn't. Because even as we spoke, Ramzi Yousef, the mastermind of the World Trade Center bombing, was plotting in the Philippines to bomb a dozen U.S. airplanes.

Americans are dead for the sly way that the Clinton administration dealt with terrorism in its first six months in

office. It keeps happening over and over and over again. And I could explain also what links Osama Bin Laden to Iraq, but I don't have time. I just note that, in this book, the back of it, there is very high praise from Jim Woolsey, who was Director of CIA at the time of the World Trade Center bombing -- "a brilliant and brave book"; Paul Wolfowitz, "a provocative and disturbing book, argues powerfully that Ramzi Yousef is an Iraqi intelligence agent." And I'll leave it there to say that important people have endorsed the conclusions of this book.

Now, in conclusion, let me explain what is the very, very most dangerous aspect of Saddam Hussein's unfinished war against the United States. One possibility is that he will use the weapons of mass destruction that he's building right now for another act of aggression in the Gulf, aimed at Kuwait and Saudi Arabia, and gaining control of the oil facilities on the Arab side of the Persian Gulf.

And the other possibility is biological terrorism. Saddam retains his entire biological program. That was the one program that Iraq made the most effort to conceal from UNSCOM. To the end, Richard Butler, the second and last UNSCOM chairman, called it a "black hole."

Now, during the crises over UNSCOM, the Secretary of Defense explained what a biological attack, an anthrax attack, could do. He held up a five-pound bag of sugar. He said, "If

this were anthrax, it could be used to wipe out half the population of Washington, D.C." I assure you Washington, D.C., is ground zero. It makes a lot of sense to attack Washington, D.C.

Now, in conclusion, the war is not over. It is an enduring and fateful relationship. One cannot be half pregnant. And once one is involved in a war, one can't just say, "I'm going to pick up my marbles and go home," because the other guy is still fighting us. So, if we do things that are being recommended, like smart sanctions and whatnot, and put more money into Saddam's pocket, we will just be giving him more of the wherewithal to continue his unfinished war against us.

Thank you very much.

(Applause.)

MR. DEMPSEY: I thank you very much.

Our next speaker today is Ambassador Edward Peck. He is a lecturer and consultant for governments and businesses and educational institutions in the U.S. and abroad. He is also a Distinguished Visitor at the National War College and a Visiting Fellow at the Woodrow Wilson Foundation.

Ambassador Peck formerly served as a U.S. Ambassador to Iraq and to Mauritania, and as an embassy officer in Sweden, Morocco, Tunisia, Algeria, and Egypt. He was also Deputy Director of the White House's Cabinet Task Force on Terrorism.

Ambassador Peck has appeared on all major U.S. TV networks and several overseas networks. He has also written widely on events related to the Persian Gulf. Ambassador Peck received a bachelor's degree from UCLA and an M.B.A. from George Washington University. Please welcome Ambassador Peck.

(Applause.)

AMBASSADOR EDWARD PECK,
FORMER CHIEF OF MISSION,
U.S. EMBASSY IN IRAQ

AMBASSADOR PECK: Thank you, sir.

It's always difficult facing an audience like this, because I have no idea, of course, what your orientation is, and I have a difficult row to hoe in that I am here to say that our policy in Iraq is wrong. And this is hard to do because everybody knows that it's right. The only debate in our Nation over the last ten years has been between those people who want to bomb Iraq and those people who want to bomb Iraq more frequently using larger bombs. And I put it to you that that is not really a debate.

Let me bring this, if I can, to you. A couple of stipulations. Number one, Saddam Hussein is not a nice guy. Okay. Has our Nation ever dealt with not-nice guys before? Yes,

many, many times. In fact, some of them we propped up for decades. Some of the biggest scuzbags the world has ever seen were on our side, and we backed them.

But here is my country, your country -- for some of you anyway -- proud of the role that we have played in getting the Catholics and the protestants to talk in Northern Ireland and the Israelis and the Palestinians to talk in the occupied territories. And look for a second at the problems facing these two groups. They don't even have borders to fight over. They spill each other's blood on ground that they mutually contest, and they have, to some extent, mutually exclusive objectives. But they are talking.

Now we don't talk to Iraq on any level on any subject anywhere. Why? Because he's not a nice guy. Yes, okay, we know that. I don't think Sharon has a wonderful opinion of Arafat or vice versa. But they're going to talk. You don't have to intermarry, you see, or invite them to your cocktail parties. But you certainly ought to talk to them.

Now, anybody in the audience who is old enough remembers that at the height of the Cold War, when the United States and the Soviet Union were a button push away from the elimination of the human race from the face of the earth, when we were at daggers drawn all over the world and faced a real serious threat from them. They had an embassy here, we had an embassy

there, we had delegations and commissions and exchanges and programs not because we liked them and trusted them, but because that's what you do.

And we don't talk to Iraq -- because Saddam is not a nice guy. Okay, he's not a nice guy. I understand that. But what I'm concerned about is American interests. And American interests are not served by the continuation of this program we've had going out there for ten years.

Number one, you look hysterical. I mean, Saddam Hussein poses a threat now, when, according to the U.N., he was bombed back into the preindustrial age ten years ago and has had an embargo ever since? What's he going to use, a truck? He poses no threat of any serious kind. But our Nation has developed this fixation about this guy.

You remember the words of Bush, the elder, who said, and I quote, "Saddam Hussein is worse than Hitler." Ah, c'mon, George, that's going pretty far.

But once the Nation gets its teeth locked into this guy, he becomes the embodiment of evil, the vilest creature that ever oozed over the surface of the planet, and therefore you can't talk to him. But you ought to, because you might be able to resolve some of the issues.

The recent bombings of Iraq, as many of you may know, do not take place under the auspices of any U.N. agreement,

resolution, or regulation. They were imposed by the United States and its mighty ally, Great Britain, under the well-known international principle of "I am bigger and stronger than you are. What are you going to do about it?"

So, when we hear that Iraq is still fighting a war, you betcha, and so are we, and we're doing it on a daily basis.

And you look racist, because you're not doing this to North Korea, which has not only the weapons but a delivery system. We've punished them by giving them \$600 million worth of economic assistance, a light water nuclear reactor, and a visit by Madeleine Albright. That'll teach them.

And in the case of Iraq, they just die. They just die. How many die? Well, I want to show you, very quickly, a video that many of you may not have seen but which is shown all over the world all of the time. It was done in 1996. It's a program called 60 Minutes.

Leslie Stahl goes to Iraq with her camera crew and she films the dying fly-covered children and the sewage and the ambulance graveyard and the rest of it. Then she comes back to the studio and she's speaking to the American Ambassador to the United Nations, who was at the time Madeleine Albright. And she asks her about the half-million dead children, which she says, "Why, that's more than died in Hiroshima." They say that about 70,000 people died in that horror in Hiroshima. Now we're

talking about a half-million. So, if everything is working correctly, this is 20 seconds of your time, take a look. It's interesting to remember that everybody sees this except people in this country.

[FROM VIDEOTAPE:]

[Baby crying.]

NARRATOR: Most Iraqis are suffering.

LESLIE STAHL: We have heard that a half-million children have died. I mean, that's more children than died in Hiroshima. And, you know, is the price worth it?"

SECRETARY ALBRIGHT: I think this is a very hard choice. But the price, we think the price is worth it. We also think...

LESLIE STAHL [VOICEOVER]: Worth it, because she believes the sanctions are working.

[END OF VIDEOTAPE.]

AMBASSADOR PECK: Without batting an eye, without quibbling over the numbers, she just took credit for the death of one-half million Iraqi children.

Ladies, gentlemen, America is responsible for this. Oh, sure, it's Saddam Hussein's fault. Sandy Berger, in November of last year, had a piece in the Financial Times in which he says, and I quote, "If the sanctions were lifted tomorrow, Iraqi

children would still die because Saddam Hussein has no interest in feeding his people."

That may be true, but I question it. What you want to think about is what he just said. What he just said was that until the sanctions are lifted. It's the sanctions that are killing them. And the sanctions are the United States of America.

But, the real question, if you're a practicing diplomat, is what happens after you finally get rid of Saddam Hussein? Who knows? It's ambiguous. You're going to get Taha Yassin Ramadan. And to use the football analogy, that's second in ten. Sorry about that, Taha. So, he's gone. Up steps Aisa Ibrahim. Now it's third in ten. So, you employ that other international principle of kill for peace and you take off the top 296 leaders of the Iraqi Government.

What's going to happen? Who knows. Let's guess. You've got the Shi'a and the Sunni. I'm always very pleased when people take a moment to say, "Can you tell us quickly the difference between Shi'ite Islam and Sunni Islam?" I say, "Yes, it's quite simple. It's precisely the same difference as between Lutherans and Episcopalians." And that shuts everybody up, because they don't what that difference is either.

But you've got the Shi'a and the Sunni, and they spill over into the surrounding countries, and you've got the Barzani

Kurds and the Talabani Kurds, and they spill over into the surrounding countries. And you've got the Yezidis and the Sabians and the Mandeans and the Assyrians and the Turkmen. And they're all going to rush out into the streets to settle their bitterly divisive savagely contested differences using ballots that they've been saving up for this purpose, right?

Can you spell Kosovo? Two groups. Two. And that's in Europe. No one will benefit when you decapitate that government, because the country may, and probably will, implode. Kurds won't benefit. Not the Israelis, not the Saudis. Nobody. And certainly not the U.S. of A.

Here comes the last thing, and then I'm going to get off. My Nation, my Nation does not have the right to decide who rules Iraq. Show me where that's in our charter. Where is the mandate that says, "You, out." Now, nobody can stop you, which is another thing entirely. Some people might call that an act of terrorism, but that depends upon your point of view, of course. Because you don't have the right to do that, and you have no idea what's going to happen afterward. But a lot of people who are fairly knowledgeable will say that it's probably not going to be good.

And, in the meantime, the United Nations says that the death toll of children is up over 875,000, almost a million. That is nothing to be proud of, especially since, after ten years

of this, Saddam is the last man standing. Bush, the elder, is gone; Clinton is gone; comes another Bush. I can remember, anybody who worked in the government can remember, that we waited desperately, eagerly, for Marshal Tito to disappear. Because we knew that as soon as that dictator was gone, Yugoslavia would flower and prosper. Right. It worked out very nicely, didn't it?

Vile though this guy may be, Saddam Hussein, he serves our interests by providing the one thing in the Middle East that you have to have anywhere in the world for all of the things that we think are good to happen: peace, freedom, justice, rule of law, human rights. None of those things can happen unless you've got stability, which is why we backed all those dictators during the Cold War.

Saddam Hussein is a dictator. No question about it. He'd doing bad things to his people, yes. And we're doing worse. And that is a Muslim country 9,000 miles from here with which we have no problem whatsoever. Other countries have problems with Iraq. But we don't. We've chosen to make them ours. And we may, if we haven't already, pay a terrible price for this.

(Applause.)

MR. DEMPSEY: Thank you very much.

Our final speaker today is Dr. Ivan Eland. He is the Cato Institute's Director of Defense Policy Studies. Dr. Eland

has authored several studies and articles on U.S. military readiness, terrorism, proliferation of weapons of mass destruction, ballistic missile defense, and NATO enlargement.

Prior to joining Cato, Eland was Principal Defense Analyst at the Congressional Budget Office. There he authored on such topics as the affordability of the U.S. Navy, the overseas presence of aircraft carriers, and trends in alliance burden-sharing. He has also worked with the House Foreign Affairs Committee on issues related to the crisis in the Gulf before Desert Storm.

Dr. Eland's articles have appeared widely, and he has testified before the Senate Foreign Relations Committee. He is a graduate of Iowa State University and has an M.B.A. and a Ph.D. in national security policy from George Washington University. Please welcome Dr. Ivan Eland.

(Applause.)

IVAN ELAND, DIRECTOR,
DEFENSE POLICY STUDIES

DR. ELAND: Thanks, Gary.

I think in Washington we usually tend to focus on what's happening at the moment. But I think on this particular policy, it's been going on for so long that we really need to

focus on the big picture. Sometimes we get involved in the policy over a number of years and a number of administrations and we just keep banging our heads against the wall. Even though it hurts, we just bang it harder. And I think that is what we may be doing with the current policy and the latest installment to the current policy that President Bush has sponsored recently.

We usually think we're intervening in a region, we're going to have a good effect and make things better. And I think this is a classic case of where we're making things worse. Just a little bit of history on this policy, and this is a thumbnail sketch. Probably some of you will say it's simplified, but I think it gets the major events straight here.

The first one, back in the seventies -- well, before that even -- we lent excessive support to the Shah of Iran, which led to the zealotry of the Islamic revolution. Now, that caused a scare in U.S. policymakers, so we started supporting Iraq during the Iran-Iraq War. Even after Saddam won that war, we continued to support him vis-a-vis Iran, because we still feared this Islamic fundamentalism. And we still fear it today, of course.

Of course, Saddam then did what we feared Iran would do, and that is invade another neighboring country. So, we led this to policy. As Gary mentioned, I was on the Foreign Affairs Committee staff, and we looked into U.S. actions during that

period. Now, when we had this dispute, the Assistant Secretary of State made it very clear, when Saddam was threatening Kuwait before he invaded, that the United States did not become in inter-Arab territorial disputes. And he made some other comments, which would lead anyone to believe that the United States really didn't care that much. And I think Saddam interpreted it as such.

Now, of course, April Glaspie, the U.S. Ambassador to Iraq, received most of the criticism for that policy, but it emanated higher up in that administration.

Of course, after Saddam invaded Kuwait, the rhetoric changed dramatically when President Bush told us that that aggression will not stand. So, this never really got much press at the time, but this is, of course, the second time that had happened.

In Doug Dando's book, "Trip Wire: Korea and U.S. Foreign Policy in a Changed World," he, of course, notes that the Joint Chiefs declared the Korean Peninsula strategically unimportant and that Dean Acheson and General Douglas MacArthur at the time didn't believe that Korea should be in the U.S. defense perimeter. Well, of course, this changed later, as it did in the Persian Gulf, after the aggressor interpreted such statements as a green light to invade. So, the United States has

a history of saying that places aren't strategic and then panicking when something happens in a non-strategic area.

I'm going to make the argument that the Persian Gulf is not as strategic as we think it is. But if we are going to say that certain areas are strategic, then we need to prevent people from invading, rather than reacting after the fact. So, I think what this really points to is we really need to decide which areas are strategic and which areas of the world we need to be involved in, which of course we've never done after the Cold War. And the Iraqi policy is an example of that.

Of course, George Bush gets credit for assembling this international coalition and a smashing tactical defeat of Iraq. We always focus on that. We focus on tactical victories throughout history, but we never focus on the fact that war is a failure of diplomacy. And the Bush administration diplomacy failed badly at the time, as I just mentioned. And also we don't focus on the strategic aspects of things. We focus on this dramatic tactical victory.

Now, of course, they're going to celebrate the tenth anniversary of this -- I guess even as we speak. And certainly the military should be given credit for a smashing victory. But we should ask questions about why the Bush diplomacy failed to dissuade Saddam from aggression in the first place and also why did we fight the war and what did we accomplish or fail to

accomplish. Those are the strategic questions that we really need to address, rather than focusing on the battlefield victory.

Now, Iraq illustrates a classic case of winning the battle and losing the war. And America has seen this in the past. If you'll remember, the British won most of the battles of the American Revolution, but George Washington won at the end of the day. Robert E. Lee was one of the greatest military tacticians the planet has ever seen but blew it strategically by attriting his inferior army by relentless offensive attacks. They were very, very great tactics, in a tactical sense, but he wasted all his men on attacking a superior army. Again, in Vietnam the United States lost few tactical engagements but ended up losing the war.

So, we have the tactical victory in Desert Storm, but what do we have? Ten years later we're still at war and Saddam has not been put away. And he's probably not going to be put away despite all the rhetoric coming out of the administration and other places about sponsoring an end to -- and the Clinton administration, as well -- sponsoring an end to this regime, somebody to overthrow it. The Iraqi opposition is very ineffectual, bickering amongst themselves. At no time soon, certainly, will they take over Iraq. I guess we'll have to hope for an assassination or something like that from somebody in the

military. But of course the Iraqi military has an incentive to keep Saddam in power.

But I think you need to go further than that. Why did we originally do the Gulf War? Well, four reasons have been stated or implied.

The first one is, well, we can't let the aggression stand, as the President said at the time; to safeguard supplies of oil, which have always been just under the surface; to support our ally, Israel; and the fourth one is preventing Saddam from getting weapons of mass destruction. Well, let's look at those four, and we'll see that none of them hold up very well. And after all of this analysis you're still left with the question of why did we do it in the first place and why are we still doing it.

First of all, President Bush provided the justification: This aggression will not stand. Well, the United States has let cross-border aggression stand before and probably will again. We didn't do anything when Vietnam invaded Cambodia, and when Ethiopia recently went at it with Eritrea. We certainly didn't intervene directly to help the British when Argentina invaded the Falklands. And there are countless other examples of where this principle just doesn't apply.

The second justification, James Baker, then Secretary of State, provided the rational: jobs, jobs, jobs -- which

really means oil, oil, oil. But on the eve of the Gulf War, prominent economists from across the spectrum, Nobel laureates Milton Freedman and James Tobin, as well as Bill Niskanen, who is now the Cato Chairman and was a member of Reagan's Council of Economic Advisors, they all said that if you want to go to war, do it but don't do it for oil.

David Henderson, who was also a staff member on Reagan's Council of Economic Advisors, did an econometric study on the oil market. You can find that in Cato's 1991 book, "America Entangled: The Persian Gulf Crisis and its Consequences." And nothing has changed since then. In fact, the situation has gotten better. This econometric analysis showed that the economic effects of the worst possible case -- that is, Saddam overrunning Kuwait, the United Arab Emirates, and the prized Saudi Arabia -- would allow Saddam enough market power to raise oil prices only slightly. Such a price rise would have amounted to only one-half of one percent of U.S. GDP. That's the worst possible case.

There was never an indication that Saddam was going to overrun Saudi Arabia, as well. But even if he did, he has to sell the oil. Most of the Persian Gulf countries depend a lot, or are overwhelmingly dependent, on exports of oil for all the money that comes into their country. Eighty to 90 percent of

their exports are oil, so they need to sell it worse than we need to buy it.

And it's ironic that the amount of oil that Saddam would have taken off the market to raise prices after having invaded Saudi Arabia -- remember the hypothetical worse case -- would have been less than that which the international community took off the market with its embargo against Iraq. We were fighting to save oil, and yet the first thing we did when we invaded Kuwait was embargo oil, which takes it off the market and drives up the price. So, if we're fighting for cheap oil, we're doing a lousy job of getting cheap oil.

We can add to this the amount of oil that was taken off the market when Kuwaiti oil wells were destroyed during the war, which makes the policy even more ill-advised. Also there was a gigantic price spike. The biggest price spike occurred on the fears that there would be a war; that is, of U.S. retaliation for Iraq's invasion of Kuwait. So, the whole policy seems to be quite strange if we're doing all this to defend oil, which I think is the main reason that people sort of give for having done this.

Now, all this fear about oil was caused by the 1973 oil embargo. But many economists now minimize the effect of this embargo on the stagflation of the 1970's, and instead they now blame the flawed monetary and economic policies of the Nixon,

Ford, and Carter administrations. The oil market is even better now than it was in the 1970's. Oil has dropped from 9 percent of U.S. GDP to 3 percent. So, we're not as dependent for our economic power on oil.

Another reason that was given, the third reason, and this always is never mentioned too overtly, was that we needed to protect Israel. But that's sort of a strange thing since Israel didn't get attacked with ballistic missiles from Iraq until we started attacking Iraq. The other thing is that Israel is a very wealthy country compared to its neighbors and has never been more secure. And you say, "Well, they have a lot of Palestinian violence," but that Palestinian violence is fairly low level and it doesn't really threaten the existence of Israel.

Israel has been at peace with its largest and most menacing neighbor, Egypt, for years, and now it's also at peace with Jordan, and dominates militarily its only remaining foe, Syria. Syria has not modernized its military like Israel has because Syria lost its Soviet client, which provided a lot of aid during the Cold War. Also, Israel showed that it's more than capable of taking care of itself by -- OR taking care of Iraq, actually -- by bombing the nuclear reactor in 1981.

The fourth reason that has often been given for the war was to prevent Iraq from getting weapons of mass destruction. Well, he already had weapons of mass destruction, as we uncovered

during the Gulf War, or in its aftermath, actually. And also this has been sort of a more recent objective of U.S. policy. If you remember, originally the sanctions were put on to get Saddam to withdraw from Kuwait, but the purpose of the sanctions has changed over time. After the war, they now became a lever to get Saddam to comply with the U.N. resolutions and get rid of his weapons of mass destruction.

Now, of course, general economic sanctions, as Ambassador Peck pointed out, are very blunt instruments. And they haven't achieved that goal. And Iraq will probably get weapons of mass destruction whether there are sanctions or not. And also I have to say the inspections have been probably overrated as getting rid of these weapons. He can move things around. It may slow him down in getting weapons, but he's probably going to get them.

And as we've seen, the bombing has not encouraged him to let the inspectors back in. If anything, it's had the opposite effect.

But I also ask, how is Iraq different than other rogue states? Other rogue states have weapons of mass destruction. But the Clinton administration used to say that Saddam has actually used them. Well, Qaddafi used chemical weapons against Chad. And also other nations in the past have used chemical weapons, too.

Saddam could use weapons of mass destruction against the United States, as Dr. Mylroie pointed out, by sponsoring either a terrorist attack or someday even a long-range missile attack if we were going to invade Baghdad or some such ill-advised policy like that. But I think Ambassador Peck's point was excellent. I mean, why would they attack us with weapons of mass destruction? Well, really, they're no threat to us 9,000 miles away.

Also, Iraq has a defense budget that is one-half of 1 percent of that of the U.S., and a GDP that is two-tenths of 1 percent of the United States. How big of a threat is it? The answer is that it's been greatly magnified. Colin Powell just said the other day that the Iraqi military is one-third the size it was during Desert Storm. And we saw how effective it was during Desert Storm.

Every president needs a threat. Reagan had Qaddafi; the elder Bush had Noriega and Saddam; and Clinton has had Milosevic and Saddam. So, Saddam seems to be one threat that just keeps -- it's like the Energizer bunny, it just keeps on going.

I think the Bush family probably feels a little insecure about Iraq, because the elder Bush was criticized for not taking out Saddam at the time. Of course, the reason they didn't at the time, or at least one reason was that, again, the

fear of Iran taking over the vacuum that would be left by that. So, I think the younger Bush's campaign rhetoric and recent escalation of the bombing may be overcompensation for this criticism.

But this merely raises the stakes and widens the gap between the rhetoric and results to date. I think Bush is going to find out the same thing that Clinton found out: that this is a very intractable problem that is not easy to solve.

I think the major potential future problem, and the only threat that we really face, is a terrorist attack. And if the Iraqis were behind the bombings as Dr. Mylroie has said, then I think that is a potential threat. But I prescribe the opposite solution to that problem. They're really no threat to us other than that, so why do we need to be there? I've gone through the reasons that we really don't need to be in the Persian Gulf. And I think perhaps we should do the same thing that we did with Qaddafi after Reagan. Forget about him.

Whatever happened to Qaddafi? Remember, we were bombing him all the time during the Reagan administration. It was sort of a threat that was inflated. And there's also a parallel among the terrorist incidents. Because after the bombings that Reagan did on Qaddafi, the word was out that we cowed him into submission. Well, what actually happened, if you look at the record, is about 12 or so incidents, including Pan Am

103, where he retaliated. He just went underground. And that's asymmetric warfare, as you were describing earlier.

So I say, how should we change the strategy? I'll sum up. I criticized the policy, so I've got to have something else to put in. Well, I think we can at least tone down the rhetoric and certainly stop the bombing. We can also work to achieve a regional balance of power. All of these states, the Gulf Cooperation Council states and particularly Saudi Arabia, have an economy and a defense budget many times over what Iraq has. The Saudis have one of the largest defense budgets in the world, \$21.8 billion, and this dwarfs the \$1.4 billion spent by Saddam by almost 16 times.

And, of course, the Gulf Cooperation Council states, if you add all those together, that comes to 23 times that of Iraq. And the GDP figures are much the same. Saudi Arabia has an economy that's seven times that of Iraq, and the GCC states have combined economies of 13 times that of Iraq. So, U.S. protection merely prevents them from doing more in their own defense.

Also, if Iraq acted up again, Iran, Turkey, and Syria could also either act alone or in combination to rein in Saddam. A balance of power is possible without U.S. intervention in this area. So, I would say, in sum, that the U.S. doesn't have many vital interests at stake in the region after all, and why should

we be footing the bill for wealthy countries to protect themselves?

I would negotiate an end of general economic sanctions and put in place a narrow dual-use embargo on high-technology stuff that can be used for weapons of mass destruction, and also use the sanctions lever, the withdrawal of sanctions, to maybe get inspectors back in there. Now, I don't think inspections and this dual-use embargo would prevent him from getting weapons of mass destruction but it might slow it somewhat. Certainly end the no-fly zone, lower the rhetoric, and take away the spotlight, and quit bombing him, so his stature is not magnified, his stature is not magnified among circles in the world and among circles of people that we aren't very friendly with. So, I think we need to lower his status in the world. And by making him the enemy, we're unduly raising it.

Experts in the stock market say the hardest thing for people to do is that they make a bad investment, cut their losses, and reinvest in something better. U.S. policy toward Iraq has the same problem. We can't admit that the aggressive containment policy hasn't worked and is not needed. It would be better to cut the losses of our interventionist policy and reinvest in efforts to establish an effective and sustainable balance of power in the region using regional actors. And this is not going to occur as long as the U.S. is the military nanny

to the region. And we're a military nanny that can't really put this baby to bed. And I think that we really need to do that.

Thank you.

(Applause.)

MR. DEMPSEY: Thank you very much, Ivan.

Right now we're going to open it up to questions. I would just ask that you wait for the microphone to come around to you. And when you receive the microphone, identify yourself, give your name and your affiliation, and then address either one or all of the panelists.

MR. JENSTROM: Mr. Jenstrom, from Finncorr Press.

We've heard Dr. Eland just mention Israel as the third reason. And, Ambassador Peck, your paper that you distributed before this meeting made passing references to Israel in the latter parts of the paper. And Dr. Mylroie did not mention Israel at all.

I wonder, and as far as I know -- I'm not really a student, but as far as I know Israel and the United States do not have a bilateral defense treaty. We are not responsible for the defense of Israel by any treaty. Now, I don't know if that's true or not. But my question is, does our attitude, our jointness with Israel, drive our foreign policy in the Middle East? Is that an important ingredient in our determination of

what our foreign policy should be in the Middle East, what Israel thinks about it?

DR. MYLROIE: Well, this session has been on Iraq, the threat that Iraq does pose, as I argue, or as the others say does not pose, to the United States and its allies, which include Kuwait, Saudi Arabia, and Israel. In no way I think can one say that Israel has been driving U.S. policy toward Iraq.

This is a policy fixed upon by the Bush administration back in 1990 when it made the decision to force Saddam out of Kuwait. It was supported by the majority of Arab states and Israel as well. And once the war was underway, it was supported by the American public. And since then, the U.S. really has determined its own policy.

So, it's really quite unfair to suggest that any of this is driven by Israel. And I really think that the key issue, and one we are not really, really addressing, is where do we stand now in our dealing with Iraq. What kind of problem does it pose?

Now, if you accept what I've been saying, that he blew up the World Trade Center building back in February of 1993, at a time when the new U.S. President was very friendly to Saddam. Clinton wanted to be rid of this Iraq monkey so he said, before he got elected, he believed in deathbed conversions and was prepared to come to terms with Saddam, and still Saddam tried to

topple that building. If you accept all that, you see that we have a very major problem. We just can't walk away from it.

And I think that's something we've got to take into consideration when we consider the 500,000 children which 60 Minutes said were killed by sanctions. Those are the reasons. I don't think the number is that high, but I think the Iraqi population has suffered. Those are the reasons why Saddam Hussein continues his war against us. And it exists entirely independent of American-Israeli ties.

AMBASSADOR PECK: I would tend to go more with your side than what Dr. Mylroie expressed. Whenever you see the U.S. Government's succeeding administrations talking about our interests in the Middle East, it starts, appropriately perhaps, with the security and safety of Israel, and then it's oil, and then it's good relations with the countries there. And our Nation is an unstinting, hesitating, unwavering supporter of Israel. I mean, nobody can doubt that. The proof is everywhere before us. That's how we see ourselves, that's how the Israelis see us, and that's how the Arabs see us. Why would it be a surprise?

So that what you suggest is that Israel driving our policy is incorrect, but concern for Israel has a major impact. I know that if you accept that Saddam Hussein did all these terrible things that Dr. Mylroie talks about, then there is a

problem. But you have to ask, who is provoking whom? We've been bombing Iraq on an almost daily basis. We would do it more often, but we don't always have the excuses we need. We're after them; they're not after us.

If we were to stop, as has been suggested, bombing them and make the embargo more selective and so forth, there's a good chance that they wouldn't see any reason to come after us. Because those airplanes flying over Iraq are the ones that are provoking their responses, in much the same way -- there is a parallel -- if Israel did not have settlements in Gaza, the settlers in Gaza wouldn't be facing trouble with the Palestinians.

Now, you can think they have a right to be there. You can think we have a right to overfly and bomb. But that's the cause more than the result. So, I think that what you were suggesting, sir, was that there is some room for looking at the situation a little bit differently, is perhaps a good thing. Because we do have broader interests there than just oil. And it is entirely possible that our own interests would be massively advanced by making a change in the policy to which we appear to be wedded.

Dr. Mylroie made a reference to the fact that she thinks that the numbers that Madeleine Albright accepted without batting an eye are exaggerated. So I would have to ask: They

may be exaggerated; are you more comfortable thinking it's only 300,000 Iraqi children?

DR. MYLROIE: No, I am not comfortable with the death of one Iraqi child. My view is that the way to address this problem is to get rid of Saddam. I believe that if the United States were to be serious about arming the Iraqi opposition and, in addition, backing it up with the U.S. Air Force, Saddam would be gone in no time. However, until and unless we get rid of Saddam, he will continue his war against us, whether it's for the death of 300,000 Iraqi children, for the death of 500,000 Iraqi children. He seeks revenge for what we have done to him.

DR. ELAND: I'd just like to address the Israeli question. I think that of course our foreign policy in a democracy tends to be an agglomeration of what various groups want. And that's just a rule of political science, where you have a concentrated group of people that are for something and then you have a diffused group of people who don't really care about it or who are against it. And NATO expansion was driven by certain key ethnic groups in certain key States that the Democrats needed to win, and that's why NATO expansion went ahead. The Clinton administration was very lukewarm about it until the elections came up.

And I think Israel's security is a domestic issue here just as a lot of other foreign policy questions are the same way.

There are not as many domestic constraints on foreign policy behavior by presidents. So, I think you can see that when a pressure group comes in, there's not a lot of countervailing pressure, like with a domestic issue that you would have. So, I think Israel does have a role in this whole policy. There are other factors that come in. But as I said in my talk, I don't think we need to be as fearful of Israeli security as in the past.

Certainly, Israel is a much better country as far as more compatible with democratic processes and that sort of thing than most of the Arab countries are. However, Israel can take care of itself. And it has 200 nuclear weapons. And I think that is the key guarantor, if all else fails, of Israel security. So, I'm not sure that we need to take such an active role in providing for that security.

MR. ZENAM: My name is Nicholas Aaron Zenam, unaffiliated. I have a question for Dr. Mylroie, and I'll make a quick comment and then listen to your response.

I, too, am very concerned about terrorism, but I'm not really as afraid of Muslim fundamentalist terrorism in this country as I am of another, I guess, something else that could be defined as terrorism. And that is that for the entire decade of the nineties we had Warren Christopher and Madeleine Albright, both Secretaries of State, saying that sanctions would remain

intact on Iraq until Saddam Hussein is gone. In other words, they said that regardless of his cooperation -- I mean, they didn't say this but they implied -- that regardless of his cooperation with inspections, sanctions would remain intact.

So, in a sense, that is saying to the people of Iraq that until you hungry, sick people who are suffering can get it together and overthrow your government, we are going to continue to withhold food -- not food, but medicine -- and I think specifically of banned items by the 661 Committee, the Sanctions Committee, like air-conditioned trucks that prohibit the distribution of medicine, which then allows the State Department to say, "See, Saddam is warehousing food and medicine."

So, my question is, could it be considered an act of terrorism to coerce a civilian population into rising up against their leader? And I'll leave it there.

DR. MYLROIE: Generally you are correct in your critique of Clinton administration policy. It was basically just sanctions. And they are a hardship and cruelty to the population, and they don't achieve the goal of getting rid of Saddam. What was missing, and what existed under the first Bush administration, was arms support for an Iraqi opposition that would overthrow Saddam through an insurgency.

The population hates Saddam. It would willingly take up arms if given the opportunity. And I am for -- because I see

the threat is so grave -- throwing in the U.S. Air Force, who did a very fine job in Kosovo. Now, I think that if we try this, there's a very, very high chance that Saddam will very quickly lose control of the south and north of the country -- he doesn't control the north at all -- the south of the country, and he'll become the mayor of Baghdad and that will be the end of him.

So, all I would suggest is -- we don't really disagree about a lot -- what I'm saying is the way to resolve this problem is by supporting the Iraqi people in overthrowing Saddam and doing it in a large and meaningful way.

AMBASSADOR PECK: Quite recently the U.S. courts awarded \$250 million to the parents of the young woman who was killed in the bomb blast in Israel a couple of years ago. And they charged the Iranian Government for this because the Iranian Government may perhaps possibly have been involved in supporting the group that is alleged to have done this.

So, my question is, if we launch this insurgency and these freedom fighters -- do you know the difference between a freedom fighter and a terrorist? Freedom fighters are subsidized by the United States; terrorists are not. If these freedom fighters that Dr. Mylroie is urging happen to kill, accidentally, three dozen Danish diplomats, will we then be liable for this? Because that's called terrorism. It depends upon where you're sitting, of course.

The other thing that gets me is the reference to hardship and cruelty. When you're talking about 475,000 dead children, that is not hardship and cruelty. That's mass slaughter.

MR. FINE: I'm Tom Fine with the Cato Institute.

I'm thinking the fundamental question about setting U.S. policy is: What is Saddam Hussein's ultimate goals and motivations in the region versus other political forces inside the country? I think only by answering that can we decide whether it is of strategic importance to be involved there and in what way we should be involved. And I want all three members of the panel to comment on that.

DR. MYLROIE: You have stated precisely the problem. What is the threat? The question to which there must be a considered answer or answers of, life's like that; it's complex, what threat does Saddam pose to U.S. interests? And until that question is explored, you can't decide how you're going to deal with it.

That threat is expressed, I would argue, in terms of the weapons programs that he retains. That's a big part of it; I didn't have a chance to get to that in my own talk. After the Gulf War, it was thought that Iraq's unconventional weapons programs had largely been destroyed during the bombing campaign

and that the U.N. weapons inspectors were slowly mopping up what remained, that Saddam was not a threat at present.

There were those of us who warned the Clinton administration, to which I was an advisor in 1992 in Clinton's campaign, beware of Saddam's charm campaign. We thought Saddam would think like us, that he would cooperate minimally with the U.N. weapons inspectors, get sanctions lifted, and then he would kick them out and he would be back in the business of making this material.

But that was not the way Saddam thought. He never gave up that material. He gave the least important stuff to UNSCOM, kept the most important stuff concealed, and that was revealed in August 1995, when Saddam's son-in-law, Hussein Kamal, defected. And all these things we learned about Iraq's weapons programs. The nuclear program continued, and all Iraq needed was the fissile material to make a nuclear bomb. All he needs is 35 pounds of highly enriched uranium.

The chemical program, far bigger, complicated, more advanced. Four tons of VX. 1/100th of a gram is lethal. You get it by just touching it. Missiles and the biological problem. This was stunning and it showed that Saddam was a real danger. But what happened was, as a gentleman here said previously, the Clinton administration policy was just sanctions. So, they said,

"Oh, we can keep the sanctions on." So, that's a big part of the problem.

Saddam deliberately, through a series of crises over the weapons inspectors, engineered their demise. And he did it, I believe the only logical reason for doing it, is because you want to prepare that stuff and make more of it. And he's doing that right now.

As I said, the terrorism, which any day, could be unconventional terrorism as well. I think these are all things that I would love to discuss with my colleagues here on the panel in detail. They have to be explored. I think if you do that, everyone would agree with me -- they would -- that you have to get rid of this man because he is our mortal foe, bent on revenge.

AMBASSADOR PECK: Well, I remember when Secretary Cohen put the five-pound bag of sugar on the table and he said, "This much anthrax could destroy half the city of Washington." Well, Bill, that much anthrax could destroy a hell of a lot more than the entire City of Washington. But the problem that you face is where do you look for the five-pound bags of anthrax. And the answer is "Everywhere, everywhere."

Scott Ritter, if you know who he was, the UNSCOM inspector who admitted he spied for the United States and Israel, in response to my direct question to him, I said, "Could you, Mr.

Ritter, have guaranteed that the UNSCOM inspection headquarters didn't house 300 pounds of anthrax?" And he said, "Absolutely, if you let me destroy the building." Otherwise, you can't. Where are you going to look for it and then start again tomorrow?

The problem with the weapons inspections -- and somebody touched on it here -- was that it was not quantitative; it was qualitative. How in the world do you prove a negative? You remember, the inspectors were always going to maybe find something next week or perhaps tomorrow, or maybe over there or maybe over here. Because you can never say that there's nothing left there. But the delivery systems are gone.

The chemical weapons, if you want to use a chemical weapons program, military experts will tell you that you need thousands of tons and a delivery system. Otherwise, why bother? And you can't hide that. And an atomic program you can't do in your garage. But anthrax you can.

There are other ways to get where Dr. Mylroie suggests we go other than the deaths and the destruction and the war and the destruction and the terrorism and the assassination, which is being urged. There are other ways to do this. We've done it before; so have other people. And it certainly is worth a try.

To wind up, I remember when I was living in Baghdad, the U.S. Government finished its report on the Shah. This was a year before the Shah fell. And the study that came out from the

Central Intelligence Agency with inputs from other organizations showed that the Shah of Iran was loved, admired, revered, and respected by 312 percent of the population, up from 271 percent just five years before.

And anybody who said, you know, "Whew, hold it. This guy has got clay feet clear up to the arm pits," quickly found some other way to earn their living. Now, it's the other way with Saddam Hussein. He is evil incarnate. Yeah, yeah, well, maybe. But we've dealt with not-so-nice guys before, and we certainly ought to do it now in the interests of everyone.

DR. ELAND: I would just like to say that I don't think Saddam's intentions are the key factor because, I think, of some of the other things I mentioned: Is this really as strategic as we make it out to be? And then also, I would agree with Ambassador Peck on several things.

The only threat that I see is that Saddam could sponsor a terrorist attack using weapons of mass destruction. It's very hard to stop that. It's a very small quantity of stuff that could be shipped in, either get through customs or come in another way. And it's very hard to stop these things. You have to have perfect intelligence all the time, which we don't.

The other thing is that this area is not as strategic as we make it out to be. Perhaps we can rely on other countries to be the first line of defense. I mean, if things really go

awry and one country, like perhaps a future Soviet Union, is trying to take over the whole region and capture all the oil supplies for itself, that might be a problem. Then we might have to do something. But I think at this point, there are plenty of countries about the size of Iraq in the region who have been antagonistic to Iraq before. We can use the classic balance of power to rein in Saddam Hussein.

Also, we always talk about a threat to U.S. interests rather than a threat to the United States. The weapons of mass destruction might be a threat to the United States if they bring it over here. But if we extend our defense perimeter so far forward, sooner or later some country is bound to threaten our interests. So, I would say we have to redefine our interests. And we're the only super power, we're the only country that polices all regions of the world; I'm just wondering whether we really want to do that anymore.

It costs a lot of money and we get very little benefit for our efforts. People don't give us trade concessions. Certainly our European and Japanese allies don't. So, we can define our interests any way we want, but Saddam would be an autocrat and a problem, maybe, for the region on occasion, but I don't really see how he threatens U.S. vital interests at all.

QUESTION: Ambassador Peck has suggested that a stable state of Iraq is very much in the national interests of the

United States. He also has suggested some of the factors that would perhaps cause the state of Iraq to implode, if we yanked out the present government, the Saddam Hussein government. You, however, are willing to do that.

By the way, General Zinni, the former Commander of Central Command, suggested that the policy you suggest -- support for the Iraqi dissidents -- has the feel of a Bay of Goats campaign. But let's assume it succeeds and the government is out, would you be willing to see the United States go back in to reestablish the borders of Iraq and a stable central government?

DR. MYLROIE: I think, again, what this gentleman over here said, what is the threat? The threat, and I think my colleagues are kind of agreeing with me on this, Saddam can carry out an act of terrorism using unconventional agents that would kill 100,000 -- easily -- 100,000 Americans or more. That is what these biological agents could do. And there's also a problem of nuclear terrorism, too.

If you see the threat as that big, which I do, and it's based on this account of terrorism starting with the World Trade Center bombing that I've given, then I think whatever is necessary to deal with that threat should be done. I mean, previously the United States has fought wars that were necessary. I think I everyone would agree World War II was necessary. What would have happened if the decision was not made by Franklin

Roosevelt to fight? Well, if the Japanese didn't attack Pearl Harbor -- in some ways it's the same debate.

But eventually you have to deal with these things. And we enjoy a very comfortable lifestyle and our freedoms because our fathers and grandfathers fought that war. Imagine if they hadn't.

So, yes, if that's what's necessary, to send U.S. forces there to sort of straighten out the situation. But I don't think it will be that big a deal, because I think it will be possible to recreate the situation that existed in March of 1991, when most of the population rose in revolt, particularly if you throw in the U.S. Air Force to assist them. At that time, in March of 1991, as figures like George Bush and Brent Scowcroft have said, we thought at that time when we decided not to help the uprising -- because that was a mistake not to -- that Saddam would be overthrown in a coup. We expected him gone. That was the assumption of the way the war ended. But he survived. He wasn't meant to survive.

I think it is very important that as soon as possible we go back to making a serious effort to recreate those circumstances. I think, between U.S. Air Force and the Iraqi opposition, well armed, plus maybe some support from the U.S. Army -- not a great deal -- this man will go and we will not face a threat.

What Ambassador Peck explained is you cannot find five pounds of anthrax in all of Iraq. That's right. That is why weapons inspections alone won't deal with the problem. Because, even at their best, they cannot eliminate that kind of threat, which is simply an intolerable threat to expose the American population to.

AMBASSADOR PECK: If we do this thing where the Bay of Goats actually carries on into something successful, there is the possibility that you might generate a certain amount of resentment in Iraq, which would lead people to try to use weapons of mass destruction against the United States in response to what we did there. Now, that's just as likely an outcome as any other.

What burdens me here is that my nation -- I'm a veteran of two wars, and I have been out on the front lines as a diplomat through wars and attacks on my house and attacks on the building where I worked and life-threatening diseases and evacuations twice -- and so I don't take a back seat in terms of patriotism to anyone. This is the greatest nation that ever was. It may be the greatest nation that ever will be. but that is my perception and it is not universally shared. And I believe profoundly that the world is a better place because there is a United States in it. But, again, that is not a universally shared perception.

And I find myself strangely distressed by our willingness, or the willingness of the people who occupy leadership positions -- which is not the same thing as leaders necessarily -- to step up and say, "By George, we're going to defend the Kurds against the Iraqis." And where do we base the airplanes to defend the Kurds? In Turkey.

And the Kurds in Turkey have had an infinitely worse time for a far longer period in larger numbers than they ever had in Iraq. But somehow we're not concerned about that. And we also are not concerned about the Palestinians. I bring this up because it fits into the question asked earlier as to how we're viewed over there.

My Nation, your Nation, condemned the Serbs for what they were doing in Kosovo. But we didn't arm them and we didn't finance them. In the case of the West Bank, the Arabs' perception of us is arming, financing, and defending Israel from doing things to the Palestinians, which are in many ways equivalent to what the Serbs were doing to the Kosovars.

DR. MYLROIE: Oh, that is ridiculous.

AMBASSADOR PECK: That is ridiculous. It's also different, you understand.

DR. MYLROIE: They are not.

AMBASSADOR PECK: Stand by. Stand by.

That's the perception from the other side. This is one of the things that you have to understand, that there are other people out there, Dr. Mylroie, who may not share your view. And there are lots of people out there who don't share the views and actions of the United States. Because our morality is selective. Everybody does this. There is not a nation in the world that doesn't employ selective morality. If she does it, it's good; if he does it, it's not good. Everybody does this.

We do it in spades because we are the biggest and the strongest by far. And the people in that part of the world, where we do have interests -- oil or not -- we've got lots of interests out there -- see us as the people who are irrational, illegal, hostile, not concerned about human rights, and also terribly, terribly, narrow-focused and ignoring the larger issues to which you referred earlier.

DR. MYLROIE: I just think that this has been so egregious it's necessary to correct. Because it is absurd, totally wrong-headed and amoral --

AMBASSADOR PECK: So, you don't agree, then.

DR. MYLROIE: -- to compare the Israeli-Palestinian situation to what happened between Serbia and the Kosovars.

AMBASSADOR PECK: Nobody did. I talked about perceptions.

DR. MYLROIE: Well, there are many people -- I'm glad you agree with that -- there are many people with very distorted perceptions. And the idea is to educate them so that they will have better perceptions, not to repeat their mistaken perceptions.

AMBASSADOR PECK: We do this with bombs. Okay, that'll work.

DR. ELAND: I do agree that there may be a weapons of mass destruction threat from Saddam, but it's brought on by ourselves. I mean, if we intervene in the region, he may retaliate in an asymmetric manner because he doesn't have much else to retaliate with.

But there are also other countries out there as I mentioned before -- Iran, Syria, Qaddafi, maybe even North Korea -- shall we just take out all these regimes at once? We have weapons of mass destruction ourselves. And our nuclear deterrent is so large compared to anyone else in the world, especially these countries since they don't have nuclear weapons yet, that we have an overwhelming deterrent in one sense.

The smuggling terrorism, perhaps it's a threat. But if we don't cause them any harm -- and I certainly don't think they're worth it in terms of being a threat in any other respect -- I mean, to compare Saddam with Hitler in World War II, Saddam is a small country -- we compare everyone with Hitler.

The Clinton administration compares Saddam to Hitler. We compared Milosevic to Hitler when he was in power. These are very small countries without much economic power.

Germany in World War II had a substantial economy. It was trying to overrun an entire continent. That's much different than what Saddam has done to date and what any of these small countries will do. And I just don't see how Saddam is any different, except that we get all emotional because we fought him in the Gulf War and he's our number one enemy. But, of course, these enemies keep coming up, like Milosevic, and we got rid of him. So, maybe we could just down through the whole list and get rid of all these people and just have a "bombfest," and then we'll be done with it.

But I don't think that's the answer. I'm just being facetious. I think that we have to live with countries that we don't like. And they may have weapons, but they're unlikely to use them against us if we don't extend our defense perimeters so far that we interpret everything they do as threatening our vital interests, which they don't.

MR. DEMPSEY: We have time for a few more questions. Yes, here in the second row.

MR. SINGER: My name is Max Singer. I'm with the Hudson Institute. We're a research organization, so I'm very interested in distinctions and relative things.

I worked on the definition of "terrorism," for example, which is usually thought of as somebody who kills innocent civilians for political purposes, which is a uniform and political cause blind definition that is very worthwhile to maintain.

Palestinian perceptions are certainly important in thinking about peace in the Middle East. But we should remember that the Palestinian perceptions include the perception that there was never a temple on the Temple Mount, Jesus never booted any moneychangers because the Mount was unoccupied until the Arabs came centuries later. It's also their perception that there was no Holocaust. So, undoubtedly they do have perceptions that Israel is terribly mistreating them, but that doesn't mean that we have to assume that that's correct.

The most fundamental point, though, about the U.S. and Israel is that the United States is in support of Israel because Israel is a democracy. And the main support of Israel comes not in the United States, the domestic support -- the political, practical side is distinguished from, I would say, the real reason or the justification -- the main support is by non-Jews who recognize the character of Israel is a democracy and sympathize with it against its attackers. Anybody who deals with Congress knows that the support is very much broader than the Jewish community.

MR. DEMPSEY: Would anybody like to comment on that?

AMBASSADOR PECK: Was there a question there?

MR. SINGER: Yes. The question is, since sanctions are designed to prevent Saddam from getting money, and he had plenty of money to buy food and medicine, and indeed has food and medicine, I don't understand how the sanctions killed one Iraqi child, let alone hundreds of thousands. I'm willing to yield to the man who says that we kept air-conditioned trucks out, so maybe there was a problem there. But those hundreds of thousands were not killed for lack of air-conditioned trucks. And Saddam has been able to build air-conditioned palaces, so I don't think our sanctions are responsible. I think Saddam is responsible. And if our government doesn't say so, the problem is with our government.

(Applause.)

AMBASSADOR PECK: I'm not sure how your speech was related to your question, but let's take the speech first. Because nobody that I know -- well, okay, let's put it another way, because we're off the subject but it's worthwhile addressing. No one with half a brain wants anything bad to happen to Israel or to an Israeli. That doesn't include everybody, we understand.

But the question is are the Israeli governments doing the right thing to get the peace and security that they want?

And the answer is: I don't know. But if whatever you do, whatever nation you are, if you either ignore or are unaware of the fact that the people on the other side of the issue may have a differing perception, you are, at a minimum, making it far more difficult to get wherever you're trying to go.

You don't have to change a policy or apologize for it, but you've got to understand how they see it, because their perception is what controls how they respond. And they may not see you as a bringer of peace, beauty, justice, truth, and the rest of it when you come with a bayonet.

Now, coming back to Iran. I showed you Madeleine Albright because she took credit, without batting an eye or quibbling over the numbers, for one-half million Iraqi dead children. Two U.N. humanitarian assistants -- supervisors -- the people running the program, have resigned in protest.

You say Saddam has got money. As many of you may know -- and if you don't, I'll tell you about it now -- Iraq does not get one penny from the sale of the oil. Do you know that? The U.N. gets the money. Saddam Hussein doesn't get a dime from the sale of the oil. The U.N. takes the money. Twenty percent of it goes for -- here's a dirty word -- "reparations" for Kuwait. Twenty percent is kept by the U.N. for its own operations and to feed the Kurds. And the rest is dribbled out

for contracts that we approve. And that's why there's \$12 billion in the pipeline, because we hold it tight.

We want Saddam out of there, and we want the Iraqi people to do it for us. The problem is that this is not a fuzzy puppy government. Marchers on the palace in Baghdad are very short, and they're only around for one. So, all they can do is die. And we're fixing it so they can. And the people out there see that and what's happening to the Palestinians differently than we do. It doesn't make them right. But you've got to understand how they see it. Because that's why they don't like you, and that's why they want to come after you. Because they see us doing nasty, dirty, terrible things that fly in the face of everything we say we stand for.

(Applause.)

DR. MYLROIE: Let me also respond to that question. Max Singer is absolutely right that the money has existed to provide for the humanitarian needs of the Iraqi people. The first resolution provided for that. That was passed in 1991. Iraq did not accept any such resolution until five years later. The money exists. It is Saddam who does not spend it. And he was recently criticized by the U.N. humanitarian coordinator in New York for not spending the billions of dollars that are in the account for the Iraqi humanitarian needs.

Saddam uses his own population as hostages so as to elicit sympathy and demands for the lifting of sanctions. If he is so indifferent to the suffering of his own people and their own deaths, imagine how he feels about people he views as his enemies and are his enemies. If he does that to the Iraqi population -- it is he who is the instrument of it; the money exists -- what do you think he has done and wants to do against us?

Another point to be corrected, the money for reparations does not go simply to Kuwait. The money for reparations, coming from the a U.N. resolution coming out of the Gulf War, is for all sorts of people in countries who suffered losses during the Gulf War. So, it doesn't just go to Kuwait. And it's important to keep these facts straight.

DR. ELAND: I just want to make a comment. This forum isn't on Israel, but this always gets drug into the debate. I think Israel should be commended for having a democracy. I think we should support them. But I'm sure that we need to bomb everybody to do it. They're a wealthy country, as I mentioned. They have 200 nuclear weapons. And as history has shown, they are more than willing, more than capable of sticking up for themselves.

The other thing I think we have to guard against is I'm not sure that when we go around the world bombing we're not

eroding our own democratic principles, first, by committing military aggression, as Ambassador Peck correctly states, without any U.N. or international sanction, as in the case of a no-fly zone, or in the case of Kosovo for that matter.

Also, I think one thing that never gets brought up is every time we go on these military interventions we violate the Constitution most of the time. Most constitutional scholars will tell you that Congress, when they made the Constitution, they originally intended for Congress to pass on a declaration of war or some authorization for military strikes.

This got worse during the Clinton administration certainly, but other presidents before that have violated this. Every time we go on these military excursions -- and enforcing the no-fly zone, in my view -- is unconstitutional, because there has been no congressional authorization. We even put international organizations before our own congressional authorization of these military strikes.

MR. DEMPSEY: We have time for one more question. Brian Mitchell over here.

MR. MITCHELL: Brian Mitchell, Investors Business Daily.

I would like to ask the Ambassador to comment on Ivan's argument that we might have been better off just not doing the Gulf War and letting Saddam Hussein keep Kuwait.

AMBASSADOR PECK: That's a tough issue. But one of the things that the -- I hope I can say this here without ever being quoted -- the American public, the great unwashed, knows nothing about the rest of the world and cares less. Americans want to focus on the things that we know are important -- sports networks and a broad choice of depilatories -- and not have to worry about what's happening in all these far corners of the world.

So, what the administrations have to do always for that nanosecond when you have their attention is wave the flag of morality. "We're doing a moral thing." "Oh, well, then go do it and don't block out the Super Bowl," or whatever.

What would have happened? You tell the American public that we're doing this in defense of democracy, goodness, graciousness, and all the rest of it. "Okay, go take care of it," and we're not worried about it too much if a couple hundred thousand Iraqi children die in the process.

Was it the oil? Yes, it was the oil, except that if oil is why we fought in Kuwait, you're going to have to tell me what vital export commodity led us to sacrifice 47,000 American lives in Korea. And kimchi doesn't count. You fought that war because you had a perception of national interests.

And if you think we fought for oil in the Gulf, why did you fight in South Vietnam? You remember, some of you who are older, dominoes. If South Vietnam falls, the whole region falls.

Well, South Vietnam fell and the whole region hasn't fallen -- yet.

And we didn't fight for oil in Grenada. I think it was peppercorns or something there.

So, you fight in Kuwait for all of these reasons that you think are the right thing at the time. You couldn't let him do that, you know, because we have allies, we have friends, it's destabilizing. Stability is a big thing. Jordan is out there, Israel is out there. You can't let that happen. There is Hosni Mubarak on that thin green ribbon that runs down through the sands of Egypt, with his 67 million people. You're not going to leave him out there with Qaddafi on one side and Saddam on the other. Who knows where he's going to stop? So you stop him. That's okay.

The reason we didn't go in and "finish the job" was that anybody who was watching the area knew that the minute you went on to invade Iraq, the coalition would have evaporated. No Arab government is going to stand up next to the United States going in to topple another Arab government, which is precisely why Israel didn't retaliate for the SCUD's. Because they knew, "thud," there goes the coalition, guys.

We were going to go in and finish the job neat and tidy and go home, and that's what scares the Arabs. Knock off Saddam Hussein, that's it. You know, it's Miller time, and everybody

leaves. And then what happens? Nobody knows, but it's going to be bad.

We fought for all of those complex reasons that a democracy has. Some are good, some are bad. But the difficulty is that once you announce a policy -- once you announce a policy -- it is tough to step up and say, "Uh, it's been a total failure and a disaster and we're going to change it."

Had the new Bush administration done that, something, quickly, they could have done it easily. But now they've inherited the old policy. "What would you have done?" I hear you asking. You send Colin Powell over to meet with Tariq Aziz. You say, "Tariq, we want to tightly control your weapons of mass destruction and your military buildup. What do we have to do to get that from you?" And he says, "Take off the general embargo." Done.

Then you would have -- consider the concept -- an agreement. Which means they get something that they want and we get something that we want, and you have a reason to keep it. The rest of the world would back you on that. Control the weapons. Control the weapons of mass destructions. Let the people go.

Forgive me. I stepped past your question, but I couldn't pass up the chance.

DR. MYLROIE: There are figures in history with whom an agreement is not possible. It is hard for me to understand or to conceive of what the present situation would have been like if the U.S. had not fought the Gulf War back in 1991. Saddam would be the dominant figure on the Arab side of the Gulf, controlling either directly -- because he's occupying the area or because he's exercising a great deal of influence over it -- the oil from Iraq through Oman. Iraq would be the dominant power, by far, in the Muslim Middle East.

The economic boom of the Clinton years would not have occurred. And most probably, at some point in all of this, long before February 26th, 2001, the error of not fighting the war in 1991 would have been recognized and we would have fought a war in 1995, or whenever. It's very similar to the 1930's and the situation with Hitler; you're going to have to fight him sooner or later, and you better do it sooner because you will do it on terms more advantageous to yourself.

DR. ELAND: Well, I don't think we can keep bringing up the 1938 Munich situation as driving our entire foreign policy. Iraq is much different than Hitler was. Also, there are other countries about the same size in the region that can check Iraq's advances: Iran, Turkey, Syria, et cetera.

And I think this argument that we would not have an economic expansion goes back to the old arguments about oil,

which I think were erroneous back in the seventies and are even more erroneous today. I don't think oil is a strategic commodity, and I think many economists would agree with me. It's a commodity just like anything else. There is a cartel, which economists will tell you, will not be very effective because there are great incentives to cheat. It elevates the price in the short term, but in the long term, in 50 years, we may not be using petroleum. Who knows? What looks strategic now, we have enough petroleum in the ground for 200-and-some years, and that is what they don't find anymore, and we have more natural gas than that. And, as I say, technology may move forward.

So, I think when you say that we wouldn't have had the economic boom in the nineties if we hadn't countered Saddam's invasion of Kuwait, I think that is just not a very valid argument at all. Oil is vastly overrated. And I think, frankly, in addition to Israel, oil is the main reason that we think we're there. But the problem with the national security community is they don't like to talk to the economics community because it's too scary for them. Because there goes one of their major theater wars right out the window, and there goes the defense spending.

Maybe I'm too cynical, but there is a marked difference between what economists think about oil and what national

security players think about oil, and it never seems to get reconciled.

MR. DEMPSEY: With that, I'm going to bring it to an end. I would like to invite everybody upstairs to an open lunch buffet. If everybody could just thank our panelists.

(Applause.)

(Whereupon, the Policy Forum was concluded.)