

Statement by Ambassador Bremer - 18 May 2010

Statement to Chilcot commission May 18, 2010

Mr. Chairman, distinguished members of Commission:

Thank you for the opportunity to address this commission. The purpose of my statement is to convey my understanding of the objectives of the occupying authority in Iraq and to account for the major activities that authority undertook. I take this opportunity to summarize for the commission the points that I consider important to its review. After my statement, I am prepared to answer your questions.

At the outset I would make three general points.

1. I should remind the commission that prior to assuming my duties in Iraq I had been in the private sector for about fourteen years. In the prewar period, I was neither in the US government nor informed of governmental deliberations except through press reports. Therefore I had, and still have, no firsthand knowledge about those prewar deliberations.
2. While I recognize the focus of the commission is on British government decisions involving the CPA's time in Iraq, my perspective is on American government actions with which I am familiar.
3. It is impossible to exaggerate the difficulties created by the chronic under-resourcing of the CPA's efforts. This problem, and the fact that the Coalition was unable to provide adequate security for Iraqi citizens, pervaded virtually everything we did, or tried to do, throughout the fourteen months of the CPA's existence.

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Three weeks after the fall of Baghdad, President Bush asked me to become Presidential Envoy to Iraq. I spent the next several weeks in a round of meetings and briefings with the relevant departments of the US government in Washington. I arrived in Baghdad on May 12, 2003 and stayed until June 28, 2004. During this period, I served as Presidential Envoy to Iraq and Administrator of the Coalition Provisional Authority (CPA).

I have written an extensive account of my experience in **My Year in Iraq; The Struggle to Build a Future of Hope (2006)**.

My authorities as Presidential Envoy, enumerated in a letter from the President, were modeled on the standard letter every American Chief of Mission receives and were consistent with American law concerning those authorities. As with the standard Chief of Mission letter, mine affirmed my authority for all American government employees within Iraq, except for American military personnel serving there under the command of military authorities. Thus, consistent with American law and long-standing practice, I was not in the military chain of command.

The Secretary of Defense appointed me Administrator. His letter stated that in that position I was to exercise all executive, legislative and judicial authority over the government of Iraq. I was given to understand that these authorities derived from the Coalition's status as an "occupying power" under international law, as recognized in the relevant UN Security Council resolution.

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In Iraq the Coalition had three major challenges:

1. To provide security for the citizens of Iraq.
2. To help the Iraqis rebuild their economy.
3. To help the Iraqi people put their country on the path to representative government.

The Coalition military had responsibility for the first task; the CPA for the other two.

It was evident to me from the start that the prewar planning had been inadequate, largely because it was based on incorrect assumptions about the nature of the post-war situation on the ground in Iraq.

Pervasive Lack of Security

Even before I left for Baghdad, I was concerned that the Coalition had insufficient troops to carry out its primary duty of providing security for the Iraqi people. I was struck by the evidence to this effect provided in a draft study from the RAND corporation shown to me before I left for Baghdad.

That study examined a number of post-conflict situations to determine in such situations the appropriate ratio of troops on the ground to the host country population. Applying the lessons of that study, the RAND report concluded that the Coalition military in Iraq should number some 480,000. Yet the day I arrived in Iraq, total strength of Coalition forces was less than half that number. Troop strength declined thereafter.

Restrictive Rules of Engagement (ROEs) under which Coalition forces operated in Iraq compounded this numerical deficit. For example, although there were some 40,000 Coalition troops in Baghdad when I arrived, since the collapse of the Saddam regime looters had pillaged at will for more than three weeks undisturbed by Coalition forces. Coalition troops had no orders to stop the looting and the Iraqi police in all major cities had deserted their posts.

The looting was done out of rage, revenge and for profit. It later became evident that some looting was also part of a prewar plan of Saddam Hussein's intelligence services.

The unchecked violence had three consequences. First was the enormous economic damage, not just in Baghdad but throughout Iraq. The CPA's economic experts later calculated the economic cost of the looting to be \$12 billion, an amount equal to half Iraq's prewar GDP.

Secondly, focusing much of their rage on hated Iraqi governmental institutions, the looters destroyed a large part of the physical infrastructure of the government. The Baghdad headquarters of 21 of 25 ministries were entirely or largely destroyed. Throughout the CPA's tenure, the crucial Ministry of Finance had room for only half of its civil servants, who therefore worked in shifts throughout that time. The same was true of the Ministry of Education.

All the country's police stations were ransacked, often burned down. Iraq's military bases and barracks in most cases were entirely disassembled—windows, doors, furniture, pipes and bathroom fixtures--so that often not a brick stood on another.

But the most pernicious effect of the unchecked looting was to send a message to the Iraqi people, and to enemies of the Coalition, that the Coalition military would not, or could not, provide security for Iraqis, the most basic of government functions.

I would like to set the record straight on the decision about the Iraqi army. The decision was based on the nature and role of Iraq's army during Saddam's three decade rule; the status of the army after the fall of Baghdad; and the practical and political considerations about the structure of any future Iraqi army.

Since the establishment of Iraq after the First World War, the army had played an important, and at least initially, constructive role in Iraq. However, for more than three decades Saddam had used that army as an essential element of his brutal repression and terror against the Iraqi people.

During the 1980s, the Iraqi army had conducted a vicious war, considered by some legal experts to be a war of genocide, against Iraq's Kurds. Hundreds of thousands of Kurds were killed, maimed or tortured. More still were made refugees after the army destroyed their homes. This "anfal" campaign culminated in the use of chemical weapons against the Kurdish town of Halabja on March 18, 1988 in which at least 5,000 innocent men, women and children were killed; thousands more were horribly scarred for life.

After the first Gulf War, Saddam used the army to brutally repress a Shia uprising in the South. Again hundreds of thousands of innocent Iraqi citizens were killed-- machine gunned and thrown into mass graves; for example, one field discovered near al-Hilla the week I arrived contained more than 30,000 bodies. During the 14 months of the CPA, over 300 mass graves were discovered.

Iraq's prewar army had been composed of some 300,000 enlisted men, all of them drafted into the army and the vast majority of them Shia. The officer corps, which was almost as large, was composed almost entirely of Sunnis. The enlisted men were regularly mistreated, even brutalized, by their officers.

When it became clear that Iraq was losing the war, this army had "self-demobilized", as the US Defense Department put it. Shia draftees by the thousands deserted their posts and went back to their villages, farms and families. Before I arrived in Iraq, the top commander of the Coalition forces, General Abizaid, had reported to the Department of Defense that not a single unit of the old army was in place intact anywhere in Iraq.

Thus, any prewar thought of using the army for peaceful reconstruction projects had become simply irrelevant—unless the Coalition proposed to recall the old army. While some American officers had discussed the possibility of recalling elements of the former army, such a course ran straight into practical and political objections.

The large corps of enlisted men had gone home and would not voluntarily return to serve under brutal Sunnis officers. So the Coalition military would have had to send Coalition troops, already short-handed, into the Shia villages to force draftees back at gunpoint. This was not a course of action which commended itself to anyone of responsibility in the

US government. Moreover, since looting had destroyed Iraq's military infrastructure, there would have been no place to train and house the army.

To these practical problems were added decisive political arguments against recalling the army.

Already before the war, the State Department's extensive study for post war Iraq (**The Future of Iraq**) had stated that: "The Iraqi Army of the future cannot be an extension of the present army, which has been made into a tool of dictatorship." Kurdish leaders, hearing rumors that some Coalition officers were considering reconstituting Saddam's army, made very clear to me that such a move would trigger Kurdish secession from Iraq. That would have provoked an immediate civil war and a broader and more dangerous regional war.

Moreover, Iraq's Shia population, following the counsel of Grand Ayatollah Ali al-Sistani, was openly cooperating with the Coalition. But they, too, had powerful historic reasons to resent the idea of recalling the Iraqi army. Together the Kurds and the Shia make up about 80% of Iraq's population.

So the best course open to the Coalition, announced in late May, was to build a new professional Iraqi army. This decision had been under review by senior Defense Department civilian and military leaders since it became evident in early April that the former army was no longer intact.

The CPA's senior advisor, Walter Slocombe conducted these discussions, first in Washington, then in London and Baghdad. American officials recognized that any prewar plan to make use of the old army had been rendered irrelevant by facts on the ground. On his way to Baghdad on May 13 and 14 2003, Slocombe briefed senior British officials in London on the plans. His British interlocutors recognized that demobilization was a fait accompli. None of them expressed the view that the Coalition should instead try to recall the Iraqi army. In fact, Slocombe reported that the British officials agreed with the need for vigorous de-Baathification, especially in the security sector.

The first battalion of the new army went into training in late July 2003. We made clear at the outset that this would be an all-volunteer army and that enlisted men from the old army were welcome to seek reenlistment. The CPA also announced that officers from Saddam's army up to the rank of Colonel could apply for positions in the new army.

Recognizing the impact of not recalling all of Saddam's army, the Coalition decided to pay all enlisted men a separation bonus. And because the planned new Iraqi army would be much smaller than Saddam's, we also paid all but the most senior former officers a monthly pension set at a level higher than they would have received from Saddam's government. Those payments, made from Iraqi government funds, continued throughout the CPA period and were continued after the return of a sovereign Iraqi government. It was a mistake not to announce the payments at the same time we announced the Coalition's intent to create a new army. As soon as we did announce the payments (in mid June 2003), unrest and demonstrations by former officers immediately stopped.

No doubt some members of the former army may have subsequently joined the insurgency. But if they did so, for most of them it was not because they had been denied an opportunity to serve their country again or otherwise to live on their pensions. It was because they wanted to install a Baathist dictatorship.

Today the new Iraqi army, built from the ground up, is the country's most respected institution; a significant contrast to the police which the CPA did recall and which continues to be plagued by human rights and criminal abuses.

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Rebuilding a devastated Economy

The second challenge facing the Coalition was to get Iraq's economy back on its feet and to begin restoring essential services to the Iraqi people.

Through a combination of large-scale corruption, spectacular misallocation of Iraq's capital resources and UN-imposed sanctions, Saddam's three decade rule had destroyed one of the region's best economies. A few specifics show magnitude of the CPA's economic challenge.

1. In 1980, Iraq's per capita income had been greater than Spain's. By 2002 it had fallen below Angola's.
2. During the 1990s, Saddam cut healthcare spending by 90%. The World Bank estimated that Iraq had shortest life expectancy and highest child mortality in region.
3. The UN reported that at least half of Iraq's schools needed to be entirely rebuilt.
4. Iraq's industrial sector was dominated by 192 state-owned enterprises (SOEs), value-destroying entities dependent on politically-mandated loans, often buying goods at politically-fixed prices and making products for non-existent markets.
5. The World Bank estimated that the country needed between \$75 and \$100 billion in new investment just to repair the country's dilapidated economic infrastructure

The state budget had been a secret under Saddam, but what was clear is that it was in chronic deficit. Every Friday, the central bank would simply print the amount of new currency Saddam estimated would be needed the following week. As a result of this colossal fiscal indiscipline, Saddam's Ministry of Planning estimated that at the end of 2002 inflation had been running at an annual rate of over 100,000%. The same ministry reported that the prewar unemployment was 50%.

Even before the war, Iraq's electricity production was estimated be fulfill less than half demand. At the fall of Baghdad, the entire country was producing less than 300 MW of electricity, about a tenth of prewar levels; no oil was being exported so the Iraqi government had no revenues. Civil servants, by far the majority of the employed population, had not been paid salaries or pensions for months. Hospitals and schools were closed. The primitive banking system was shuttered. In short, Saddam's Iraq had been the equivalent of a well-armed Potemkin village.

The CPA took aggressive action to deal with the economy. Salaries and pensions were increased three to five fold and paid out within a week of my arrival. Barriers to trade were removed by eliminating import tariffs. Taxes were lowered and exchange rate freed to be determined by the market rather than by bureaucrats. Massive employment projects were

set on foot to create hundreds of thousands of jobs. Over the next 14 months, the CPA and Coalition military units completed over 22,000 individual reconstruction projects all over the country.

Within 4 months, the CPA's actions had begun reviving the economy. By October 1, 2003, the Coalition had rebuilt over 2,000 schools. The CPA had increased Iraq's healthcare budget by 1300%. All Iraq's hospitals and clinics had been reopened and distribution of drugs had been increased 700%. Electricity and oil production had returned to prewar levels. All the nation's bank branches were reopened (though they still lacked capacity for electronic transfer of funds so Iraqi government expenses had to be paid in cash).

At the same time, the CPA worked with Iraqis to establish principles and institutions fitting for a modern economy. Iraqi ministries, working with CPA advisors, produced balanced government budgets for 2003 and 2004. The CPA introduced the principles of monetary responsibility by establishing the independence of Iraq's central bank and freed interest rates to be determined by the marketplace, not by bureaucrats as had been done under Saddam. Working with the Iraqis, the CPA repealed Saddam's prohibition against foreign investment, except in the oil industry. Despite a primitive banking system, poor infrastructure and a war, the CPA succeeded in replacing Saddam's near-worthless currency with a New Iraqi Dinar which has since floated freely against all world currencies.

The CPA evaluated the SOEs and found that most of them probably could not survive in a free market. The economic arguments for privatizing those that could survive and closing the rest were powerful. But because these firms employed over 500,000 people, the CPA decided that the consequences of privatizing or closing the SOEs in the midst of a growing insurgency were too risky. So the CPA did not privatize a single SOE and instead continued to pay the salaries of the all SOE employees, even of those "employed" at SOEs that were definitively closed.

The CPA's economic record has largely gone unreported. In June 2004, when the CPA handed over to a sovereign Iraqi government, the economy was well on the way to recovery. Oil production had been running at prewar levels for 10 months. Bank deposits were 90% over May 2003 levels. Electricity production was half again as high as prewar levels, though still far short of meeting demand. Monthly inflation had been cut to only 2%. And according to a massive study by the United Nations Development Programme, unemployment was just 10.5%. A later study by the International Monetary Fund found that the Iraqi economy rebounded by over 46% in 2004.

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Helping Iraq's Transition to Representative Government

The major political goal of the Coalition was to help the Iraqis establish responsible representative government. In this goal, the Coalition was pushing on an open door. The remarkable turnout of Iraqis in four elections and one referendum since 2004 is conclusive evidence that Iraqis wanted to replace Saddam's tyranny with democracy.

The first step toward this goal was to deal with the overhang of Baath Party dictatorship. Saddam's party had been the primary political instrument of repression. Dissent and criticism of his rule were answered with summary brutality, torture and death. The party,

consciously modeled on Hitler's Nazi party, even recruited children to spy and report on their parents.

The State Department's prewar plan, **The Future of Iraq**, recognized that "no member of the Baath party has any stature in the country" and urged that if Saddam were overthrown, steps should be taken "to ensure that Baathist ideology in whatever guise does not seep into the public realm" and to "block the appointment or promotion of any figure who has Baathist sympathies or loyalties of who expresses Baathist 'thought'".

Consistent with this plan, on April 16, 2003, General Tommy Franks, commander of Coalition Forces, outlawed the Baath Party and its repugnant ideology. No responsible official that I am aware of, in Washington or any other capital, nor in Iraq itself seriously suggested any other possibility. It was clear that there would be some level of de-Baathification. The questions were: how much and what would happen to Baathists.

Our intelligence estimated that the party had a membership of two and a half million. The Coalition recognized that many Iraqis had joined the party, not out of conviction, but in order to get access to jobs or favors from Saddam's regime.

So the Coalition's deBaathification decree was narrowly drawn in two respects. First, it affected only the top one percent of party members. Moreover, the only restriction placed on them was that they could not hold government jobs. Thus even top party members were free to work in the private sector, to set up businesses or newspapers, to become farmers, etc. Moreover the CPA authorized scores of exceptions even to this lenient policy, permitting many ranking Baathists to remain in high government positions. The myth that deBaathification collapsed the Iraqi government is simply unsupported by the facts.

Although the CPA's policy was intended to target a small portion of party members, it was later abused by Iraqi politicians and became a political tool with large negative consequences. In retrospect, it was a mistake for the CPA to devolve the implementation of the Debaathification program to Iraqi politicians who then attempted to broaden the decree's effect. It would have been wiser to have set up an Iraqi judicial panel to oversee implementation. The difficulty three successive sovereign Iraqi governments have had wrestling with deBaathification illustrates the strong emotions Iraqis continue to have about the proper role for former Baath party members.

The CPA moved quickly to get a responsible interim Iraqi government in place, working with the UN Secretary General's Special Representative to establish the Iraqi Governing Council (IGC) in just two months. This effort benefited greatly from the professional efforts of British members of the CPA under the able leadership of Ambassador Jonathan Sawers. Hundreds of other able British officials including Ambassadors Greenstock, Sinnott and Richmond, participated in CPA activities over the next 14 months.

All CPA employees were volunteers. They came from 25 different nations and worked long hard hours. But the CPA was never adequately staffed. At its best, the CPA had only 56% of its positions filled.

The IGC was afforded responsibility to oversee drafting a modern constitution for Iraq, a step that all Iraqi political leaders we consulted favored. On September 1, 2003, the IGC also appointed Iraqi Ministers to run the Iraqi government. The CPA gave the Iraqi

Ministers responsibility for the policies, personnel and budgets of their respective ministries. I do not recall once overruling a decision by an Iraqi Minister.

After considerable internal debate, the IGC deadlocked over the process by which to draft a constitution. The result was an agreement on November 15, 2003 that the Iraqis would draft an Interim Constitution as an essential step to regaining full sovereignty. This document, the Transitional Administrative Law (TAL) came into being in March 2004, after months of intense negotiations among Iraqis in which the CPA paid an essential and very active mediating role.

The Interim Constitution was the CPA's most important contribution to Iraq's political future. The law established the principles of democracy, individual rights and federalism on which Iraq's permanent constitution came to be based.

The Interim Constitution laid the foundations for open, representative and legitimate government. The document established the architecture of Iraq's government, based on the separation of powers, and a balance between the executive and legislative branches. It also confirmed an independent judiciary and civilian control over the military. The Interim Constitution established basic rights for all Iraqis, irrespective of gender, sect, religion or ethnicity. It committed Iraq to the rule of law and set out principles such as the right of the accused to be presumed innocent until proven guilty, to confront his accusers and to have legal counsel. Through the document recognized that the majority of Iraqis are Muslim, it confirmed the freedom of religion.

This document gave Iraq the political structure and opportunity to remain a united, free and democratic country. And although Iraq has been through very difficult times since 2004, the Iraqi people have remained committed to that structure.

Conclusion

The Coalition faced three enormous challenges in Iraq: providing security for Iraqi citizens; helping Iraq move toward representative government and helping them modernize their economy.

The Coalition military had responsibility for security. This task was never adequately resourced throughout the CPA time. Lack of security impinged on the CPA's ability to deliver in the other two areas. Constant attacks on Iraq's fragile infrastructure complicated the task of restarting essential services. Two leading members of the Governing Council were assassinated in office; others subjected to shootings, bombings and harassment. The CPA itself lost staff to insurgent attacks and its work environment was far short of ideal.

Despite these handicaps, and chronic understaffing, the historic record of the CPA's accomplishments is clear. When the CPA left, Iraq's economy was rebounding smartly, not just from post war levels, but well beyond the prewar levels. And by helping Iraqis draft a modern, liberal constitution, the CPA gave the Iraqi people the political structure to define a path to representative government, a path they have followed despite severe provocation by insurgents and terrorists.