

# Bush backs blacklist on reconstruction deals in Iraq

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In the face of outraged protests from Washington's erstwhile NATO allies and other countries, President Bush has defended a Pentagon blacklist that bars any nation that failed to support the illegal US war in Iraq from bidding on reconstruction contracts.

In backing the measure, Bush combined a crude version of "to the victor belongs the spoils" with an open appeal to the right-wing chauvinism of his Republican Party base. At the same time, he voiced the contempt for international law that has been a hallmark of his administration.

"The taxpayers understand why it makes sense for countries that risk lives to participate in the contracts in Iraq," he told reporters following a White House cabinet meeting Thursday. "It's very simple. Our people risk their lives. Coalition, friendly folks risk their lives, and, therefore, the contracting is going to reflect that."

Asked by a reporter about European threats to take legal action against being excluded from the bidding, the US president joked, "International law? Well, I'd better call my lawyer."

The Pentagon's announcement earlier this week of the ban on nations that opposed the US war in Iraq bidding on \$18.6 billion in reconstruction contracts marks a continuation and deepening of the illegal policy of unilateral militarist aggression and corporate looting that gave rise to the war in the first place.

The Pentagon directive, which excludes contractors from France, Germany, Russia, Canada and other nations that opposed the US invasion, was signed by Deputy Defense Secretary Paul Wolfowitz, one of the principal architects of the war in Iraq.

Adding insult to injury, Wolfowitz justified the ban on the grounds of national security, declaring that it was necessary to exclude those countries that failed to join Washington's so-called coalition of the willing "for the protection of essential security interests of the United States." Implicit in this rationale was the suggestion that German, French or Russian contractors might provide aid and comfort to the growing Iraqi resistance against the US occupation.

International reaction to the order was swift and outraged. German Foreign Minister Joschka Fischer said he viewed the Pentagon order "with astonishment." The French Foreign Ministry indicated that Paris would review the ban to see if it violated international trade law, while Russia's Defense Minister Sergei Ivanov responded to questions about the US administration's blacklist by indicating that Moscow had no intention now of writing off \$8 billion in Iraqi debts.

Across the border in Canada, incoming prime minister Paul

Martin, who took office Friday, blasted the decision. "I find it very difficult to fathom" the US action, said Martin, who had vowed to repair US-Canadian relations strained by the Iraq war. He noted that Canada has pledged \$300 million for Iraqi reconstruction and has deployed significant military forces to bolster the US occupation of Afghanistan.

Deputy Prime Minister John Manley, meanwhile, indicated that Ottawa might cut off any further payments on its pledge for Iraqi reconstruction. "It will be difficult to explain to Canadian taxpayers why they are paying for reconstruction if Canadian companies are excluded from contracts," he said.

The timing of the directive struck many observers as irrational if not self-destructive. It was made public on the very eve of President Bush's launching of an effort to secure cooperation from other countries in the form of forgiveness on Iraq's \$120 billion foreign debt. Among those holding the largest shares of this debt are Russia and France.

This issue has become increasingly crucial as international financial support for the occupation has evaporated in the face of the crisis caused by the Iraqi resistance. The *New York Times* reported last week that the World Bank had concluded that of the \$3 billion that Washington claimed had been raised at a Madrid international donors' conference for immediate needs in Iraq, only \$685 million would actually be forthcoming.

Even some right-wing supporters of the Bush administration criticized the Pentagon's action. On the web site of the *Weekly Standard*, William Kristol and Robert Kagan posted an article entitled "Contracts for Iraq: reverse the Pentagon's decision," calling the directive a "blunder."

"A deviously smart American administration would have quietly distributed contracts for rebuilding Iraq as it saw fit, without any announced policy of discrimination," they wrote. "At the end of the day, it would be clear that opponents of American policy didn't fare too well in the bidding process. Message delivered, but with a certain subtlety."

Tapped to lead the debt-forgiveness mission is James Baker, the former Reagan administration White House chief of staff, who went on to become secretary of state in the first Bush administration. Baker has remained a senior political "fixer" for the Bush family, having played a key role in the successful Republican bid to steal the 2000 election.

The order cutting off France, Russia, Germany and many other countries was posted on the Pentagon's web site the day before

Bush made phone calls to foreign leaders urging them to give Baker's appeal consideration. The *New York Times* described Bush and White House officials as both "surprised" and "fuming" over the timing and tone of the Wolfowitz directive, though in general agreement on the policy of denying primary contracts to any country that failed to support the war.

The precise attitude of the US president and his advisers to the Pentagon's publishing of the order is unknown. If Bush had been disgruntled over Wolfowitz's actions, he would have been hard-pressed to publicly express his anger without risking a split within his own party and the alienation of his right-wing political base, which has been inculcated with anti-European sentiment since the beginning of the buildup to the war on Iraq.

Officials indicated that the Pentagon's use of the national security argument was aimed at providing a pseudo-legal justification for violating World Trade Organization statutes requiring open international competition for government procurement. Washington has aggressively insisted that Latin American nations accept such competition as part of the proposed Free Trade Agreement of the Americas.

The office of the US trade representative, however, provided another rationale for denying the contracts to those who opposed the US war. "There is no need to invoke the essential security exception to our trade obligations," said a spokesman for the office. He said that Washington would argue that the Coalition Provisional Authority, the US colonial occupation regime, was not covered by the WTO rules because it is not a sovereign state. This argument, which parallels the type of claim used to deny US prisoners at Guantanamo Bay Naval Base in Cuba both US and international rights, is expected to be challenged by other countries, which point out that it is the Pentagon that is setting policy and awarding contracts.

The obvious question raised is whether the Wolfowitz memo was deliberately crafted and timed with the aim of scuttling any attempt to shift toward a more pragmatic and multilateral policy—with which Baker is politically identified—in an attempt to extricate the US from the deepening quagmire in Iraq.

From the beginning of the buildup to the Iraq war, the Bush administration has been characterized by internecine warfare between, on the one hand, the civilian leadership of the Pentagon, and, on the other, the State Department and the CIA.

Baker clearly sided with the latter faction. He was among the most prominent members of Bush senior's former cabinet to advocate further attempts to gain UN approval for the war. He cautioned the younger Bush against waging a unilateral war and urged him to "reject the advice of those who counsel doing so." In a prominent August 2002 opinion piece in the *New York Times*, Baker warned, "The costs in all areas will be much greater, as will the political risks, both domestic and international, if we end up going it alone, or with only one or two other countries."

Such views were and remain anathema to those who promoted the Iraq war, led by Vice President Richard Cheney, Defense Secretary Donald Rumsfeld, Wolfowitz and other senior Pentagon officials. This right-wing clique had plotted the Iraq war well before the Bush administration was installed in the White House. Moreover, it saw this war as the inauguration of a new US foreign

policy, founded on the conception that Washington could employ its overwhelming military force to achieve global hegemony and ensure US capitalism's dominance over any potential rival. Undisputed control of the world's strategic oil supplies was seen as pivotal to this ambition.

In pursuit of these goals, these elements decidedly favored a policy of unilateralism and the repudiation of any restrictions on US actions imposed by multilateral organizations or treaties. Iraq was to serve as the proving ground for this policy.

As *New York Times* columnist Paul Krugman noted in his December 12 column, the Wolfowitz directive includes the statement: "Limiting competition for prime contracts will encourage the expansion of international cooperation in Iraq and *future efforts* [emphasis added]."

Pointing to this reference to "future efforts," Krugman writes: "Dick Cheney, Donald Rumsfeld and their fellow Project for a New American Century alumni viewed Iraq as a pilot project, one that would validate their views and clear the way for future regime changes."

No doubt, other "preventive" wars are already in an advanced stage of preparation against Syria, Iran, North Korea, Cuba and other countries yet to be directly threatened. The blacklist on contracts is a harbinger of the use of military intimidation against so-called allies as well.

The turn toward a more multilateral approach in Iraq, or inviting the UN to assume control of the creation of a new regime there, would signal a repudiation of this strategic orientation. Clearly, the predominant tendency within the Bush administration is to block any such change in course, no matter what the cost in bloodshed and economic dislocation.

This policy, at times seemingly irrational, expresses the profound social and economic contradictions gripping American society. A criminal corporate elite has embraced a strategy of overcoming these contradictions through military conquest and the subordination of the world's peoples and resources to its profit needs. The catastrophic implications of this policy have only begun to unfold in Iraq.



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