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American intentions are tainted by Iraq's oil

Throughout the world people believe that the US fought the Iraq war to secure control of Middle East oil. The Bush administration vehemently rejects this; Donald Rumsfeld, the defence secretary, has declared that oil had nothing to do with the war.

This difference of opinion has impeded Iraq's recovery at every step. The US wants to lift United Nations sanctions immediately to speed Iraqi reconstruction. Many other countries, notably France and Russia, have expressed fears that the UN resolution pushed by the US would legitimise a US grab of Iraqi oil. Accusations of crony politics have flown back and forth.

Now a revised resolution is set to be voted on by the UN Security Council. While it looks as if the US may have made enough concessions for it to pass, possibly by consensus, they fall far short of what is needed to allay the suspicion that this was a war about oil. If the US is to clear the air - and secure the international co-operation to help rebuild Iraq and allow the US rapidly to extricate itself - it will have to take further definite steps.

Above all, it should agree to place the Iraqi oil sector under direct UN control until the US occupying authority in Iraq has been replaced by a sovereign Iraqi government. So far, however, the US has moved in the opposite direction. It has appointed an interim head of the Iraqi oil sector and placed over him a US-appointed advisory board headed by an American, Philip Carroll, the former chief executive of Shell Oil. The role earmarked for the UN in the oil sector is that of a monitor of some financial flows, not that of a decision-maker.

The US should undertake not to decide unilaterally on new contracts for the reconstruction and development of Iraqi oil, or on any fundamental restructuring of the sector (such as privatisation), in lieu of a UN authority. Indeed, all countries should abjure from negotiations behind the backs of the Iraqi people about past and future oil contracts. As for the existing contracts and claims on Iraq held by Russia, France and other countries, the US should respect these. Richard Perle, the Pentagon adviser fighting charges of financial conflict of interest, told the Russian press recently that the US would cancel the old Russian contracts. If some of these contractual claims do indeed contravene international law, their cancellation should occur through an international legal process, including direct negotiation between a sovereign Iraqi government and the contractual counterparts.

The administration should also take steps to bolster America's own democratic institutions by making completely transparent any links between US business and Iraqi reconstruction. The contracts recently granted by the US government to Bechtel, Halliburton and Fluor have caused public consternation as a result of the intimate links between these companies, figures in the Bush administration and campaign contributions. Bechtel, it may be recalled, was active in Iraq in the 1980s, a time when the company had close ties to the Reagan administration. It is now back in Iraq with a hefty contract from the US government. The recently granted contracts should be put out again in a proper bid. All winners of such contracts above a minimum threshold should abjure from making campaign contributions during the life of those contracts. If the US were to agree to

these measures, the divide between the US and the world could be closed quickly. Instead, the US works actively against any real UN authority, while its inability to back up its pre-war claims about weapons of mass destruction compounds the world's suspicions. The result has been to block international cooperation and the recovery of the Iraqi economy, multiplying the risks and costs to the Iraqi people and the US occupation forces.

Many Americans may wonder why the US should not simply grab the oil, even if that was not the real purpose of the war. After all, what could be wrong with receiving some recompense for toppling Mr Hussein? The answer is the threat to US democracy itself, as well as to world peace. The US already has a money-drenched political system, in which cronies secure political favours via campaign contributions and move seamlessly between industry, the Pentagon and State Department and the White House. It is a short step from there to naked imperialism, a system in which public outlays for military adventures are motivated by the private accumulation of wealth and the blood of the poor is shed for private gain. Unless the US does more to tackle the question of Iraqi oil, many observers may conclude that it has already crossed the line.

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