Iraq Should Pay Its Own Way

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At the Senate hearing to consider the Bush Administration's request for an additional $87 billion to pay for what is going on in Iraq, the sensational news emerged that $20.3 billion of that amount is allocated, not to pay for the war or for the benefit of U.S. troops, but to build Iraq into a modern country with water and sewer systems, power grids, roads, bridges, schools, post offices, prisons, and even 3,000 housing units.
Some Senators asked the obvious question: Since Iraq has the world's second-largest reserves of oil, why can't it pay for its own reconstruction out of current or future oil revenues (as the Administration promised before the war started)?

Bush's representative L. Paul Bremer III then let the cat out of the bag. Iraq can't finance its own reconstruction, he said, because it has a debt of $200 billion and therefore can't borrow against future oil profits. Of that $200 billion, more than half is commercial debt owed to a number of countries (mainly France, Russia and Germany), and the rest is war reparations (mainly to Kuwait) owed from the first Gulf War.

Ever since the collapse of the Soviet empire, Americans have been reassured that the United States is the world's only superpower. Now we find that some mysterious international authority is imposing taxation without representation on Americans.

This anonymous authority is telling us, through messenger Bremer, that U.S. citizens must tax ourselves to build the infrastructure of another country on the other side of the world. We are told we must respect the prior right of our non-friends in Europe to cash in on the oil that will soon start flowing in the country which our troops and treasure just liberated.

Then we hear that $20.3 billion is only the start of our burden. Bremer admitted on CNBC's Capital Report that our ultimate costs to rebuild Iraq will be "probably well above $50 billion, $60 billion, maybe $100 billion."

If this is true, then we can't be the world's superpower; we are merely the vassal of some lord and master we did not choose or elect and do not want. What foreign authority can issue such orders to the United States?

Bremer, who learned his foreign-affairs chutzpa during eleven years as managing director of Kissinger Associates, cut off senatorial interrogation by asserting international law. But international law is a fiction; no legislature passed any such law and no court can enforce it.

Respecting the debts of a defunct dictator is only a custom, and that custom should be overruled by the Doctrine of Odious Debts, i.e., that a country is not responsible for a despotic regime's debts that were used for purposes contrary to the interests of the nation. The United States used this doctrine after the Spanish-American War to cancel Cuba's debts to Spain, and it should be used today because there is no justification in requiring either the Iraqi people or the U.S. taxpayers to pay for Saddam's profligacy.

Repudiating Saddam's debt would teach the world an important lesson. Countries that support tyrants like Saddam with loans and investments should lose their money when the regime goes belly up.

The Democrats, who never saw a spending proposal they didn't like (except for abstinence education), see in the Bush Administration's request for $20.3 billion to build Iraqi infrastructure a tantalizing opportunity to increase discretionary U.S. domestic spending.

The Bush Administration proposes to send $3.7 billion to build a water and sewer system in Iraq, but only $1.8 billion on Environmental Protection Agency programs to improve U.S. water and sewer systems. Obviously, according to Democratic political logic, we should double or triple our spending on U.S. projects (not cut foreign aid).

Senator James Jeffords sniped, "It is mind-boggling that the president can recognize the importance of water infrastructure needs in Iraq but is blind to our needs here at home." What is really mind- boggling is the notion that anyone can seriously propose taxing Americans to build a water and sewer system for a rich foreign country that tolerated a dictator who spent his country's oil profits on lavish palaces instead of on necessities.

Americans have already paid an enormous cost for this war in Iraq. With so many Americans out of work, it is insulting for Bremer to demand that U.S. taxpayers pay up to $100 billion more to rebuild a country that has ample natural resources.

France, Russia and Germany should consider themselves lucky if they are simply able to write off all their investments and loans to Saddam as bad business deals with a con man who went bankrupt. Since their money-flow to Iraq significantly helped to maintain that evil dictator in power, France, Russia and Germany (not the United States) should be called on to pay for building up the country.