

August 8, 2008

EDITORIAL

Time for Iraq to Pay the Bill

It has been five years since Paul Wolfowitz, the former deputy defense secretary, offered his infamous assurance that Iraq would be able to finance its own reconstruction “relatively soon.” Now, finally, part of that prediction has come true. Iraq is awash in oil money. But it is still not spending it on reconstruction.

Federal analysts reported Tuesday that the oil market has produced a bonanza for Iraq, which has the third-largest reserves in the world. The report, by the Government Accountability Office, said that from 2005 to the end of this year, Iraq is expected to have earned at least \$156 billion in oil revenues and amassed a budget surplus that could go as high as \$79 billion. Roughly \$29 billion of that surplus is piling up in Iraqi banks as well as in a fund at the Federal Reserve Bank of New York that was supposed to be used for Iraqi development.

In truth, Iraqis have had little incentive to spend their own money given the willingness of the United States Congress to keep writing blank checks for President Bush’s disastrous adventure there. Congress has appropriated \$48 billion for rebuilding in Iraq since 2003 and committed all but \$6 billion of that amount, mostly for oil, electricity, water and security projects.

By contrast, between 2005 and 2007, when all that oil revenue was piling up, only \$3.9 billion of Iraq’s budget went to reconstruction. An even tinier amount went to maintaining United States and Iraqi-financed projects like roads, bridges, buildings, water and electrical installations. That raises serious questions about the wisdom of making those capital investments in the first place if they are not going to be properly tended.

One of the Bush administration’s most damaging postinvasion decisions is at the heart of this problem. In its ill-considered dismissal of everybody who had any connection to Saddam Hussein’s Baath Party, American overseers depleted the ranks of Iraqi bureaucrats who had the skills and experience to run an oil-producing country of about 27 million people.

As the Congressional investigators found, Iraq now lacks the trained professionals to prepare and execute budgets and to solicit, award and oversee capital projects. The United States must redouble its efforts to help Iraq build this capacity, including bringing back skilled Iraqis who have fled the country.

Congress is finally losing patience with the indefensible image of Americans paying historic high gasoline prices while Iraq pockets huge profits and Americans underwrite Iraq’s rebuilding. Like Democrat Carl Levin and Republican John Warner, members of the Senate Armed Services Committee, we question the Pentagon’s decision to spend \$33 million from an emergency fund on an economic zone at Baghdad International Airport. Iraq has committed \$44.8 million to the project but should pay for the whole thing.

It is good — for Iraq and for the world economy — that Iraq is getting back into the oil business. But it still

has a long way to go before it fully assumes responsibility for itself and its future. That must include spending its own money for its own enormous and unfulfilled reconstruction needs.

[Copyright 2008 The New York Times Company](#)

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)
