



The Bush Agenda and Antonia Juhasz



Antonia Juhasz: "The Iraq War's 'Oil Time-Line' Exposed"

Start: Sep 25 2006 - 7:00pm

Come hear Antonia Juhasz, author of *The Bush Agenda: Invading the World, One Economy at a Time*. For information about Juhasz or the book, go to www.thebushagenda.net or read the book review in your July 2006 issue of the *Dallas Peace Times*.

Enjoy an authentic Iranian meal with a minimum \$10 donation before the lecture.

Dinner -- 7:00 p.m.; lecture -- 7:30 p.m. sponsored by the Dallas Peace Center's End the Occupation of Iraq Committee, the Iranian Democratic Society of Dallas and Iranians for peace and justice

Location: Jaycee Park (Community Center) , 2000 West Airport Freeway, (South side frontage road), Irving, TX



Tuesday, April 25th, 2006

Amy Goodman spoke with Antonia Juhasz about her new book, "The Bush Agenda: Invading the World, One Economy at a Time." The book tracks the radical neo-liberal economic program the Bush administration has tried to impose on Iraq, which threatens to leave Iraq's economy and oil reserves largely in the hands of multinational corporations.

AMY GOODMAN: Our guest today is an author who has been tracking the Bush administration's goals in Iraq since the invasion. Antonia Juhasz has written about them in a new book. It's called *The Bush Agenda: Invading the World, One Economy at a Time*. The book tracks the radical neo-liberal economic program the Bush administration has tried to impose on Iraq, which threatens to leave Iraq's economy and oil reserves largely in the hands of multinational corporations. It's an agenda, says Antonia Juhasz, that the Bush administration is trying to bring to all corners of the globe.

Antonia Juhasz joins us in our Firehouse studio. She's a visiting scholar at the Institute for Policy Studies. For years she was Project Director at the International Forum on Globalization. Welcome to Democracy Now!

ANTONIA JUHASZ: Thanks for having me, Amy.

AMY GOODMAN: And congratulations on this book.

ANTONIA JUHASZ: Thank you very much. I appreciate it.

AMY GOODMAN: Can you talk about the leadership of Iraq?

ANTONIA JUHASZ: Well, I would argue that the most important member of the new leadership is Adel Abdel Mahdi, who has been in every U.S.-appointed Iraqi government post-the-invasion. He was the Finance Minister of the interim government, the Vice President of the transitional government and was just named Vice President of the permanent government. He was actually the man that the Bush administration wanted to be the new prime minister of Iraq. The deal that was worked out was that another member of the Dawa Party, just like Mr. Jaafari, would become prime minister, and then Mahdi, who is a member of the SCIRI Party, would be vice president.

It's a position that allows him to continue to be the most aggressive advocate of the Bush agenda in Iraq, which I argue is opening Iraq -- continuing to open Iraq to U.S. corporate invasion. Currently, 150 U.S. corporations have received \$50 billion worth of contracts, as you said in the introduction, to utterly fail in reconstruction in Iraq, but the money has still been granted. And Mahdi is the person who advanced Paul Bremer's one hundred orders in Iraq that opened up the economy. But more importantly to the Bush administration, he is the person who has most aggressively pushed their agenda for a new oil law in Iraq, which would open up Iraq's oil sector, the vast majority of Iraq's oil sector, to private foreign corporate investment.

AMY GOODMAN: You talk about the Bremer orders. You spend a lot of time in the book on them. Can you talk about Paul Bremer, Bremer's blueprint by BearingPoint, the orders themselves?

ANTONIA JUHASZ: Yeah. You know, in the report that you were quoting in the beginning of the hour, which said that the reconstruction failed because of poor planning, it's a myth that there was not a post-war planning done by the Bush administration. The reason why it failed was because the interests it was serving were U.S. multinationals, not reconstruction in Iraq.

That plan was ready two months before the invasion. It was written by BearingPoint, Inc., a company based in Virginia that received a \$250 million contract to rewrite the entire economy of Iraq. It drafted that new economy. That new economy was put into place systematically by L. Paul Bremer, the head of the occupation government of Iraq for 14 months, who implemented exactly one hundred orders, basically all of which are still in place today. And everyone who is watching who is familiar with the policies of the World Trade Organization, the North American Free Trade Agreement, the World Bank, the I.M.F., will understand the orders.

They implement some of the most radical corporate globalization ideas, such as free investment rules for multinational corporations. That means corporations can enter Iraq, and they essentially don't have to contribute at all to the economy of Iraq. The most harmful provision thus far has been the national treatment provision, which meant that

the Iraqis could not give preference to Iraqi companies or workers in the reconstruction, and therefore, U.S. companies received preference in the reconstruction. They hired workers who weren't even from Iraq, in most cases, and utterly bungled the reconstruction.

And the most important company, in my mind, to receive blame is the Bechtel Corporation of San Francisco. They have received \$2.8 billion to rebuild water, electricity and sewage systems, the most important systems in the life of an Iraqi. After the first Gulf War, the Iraqis rebuilt these systems in three months' time. It's been three years, and, as you said, those services are still below pre-war levels.

AMY GOODMAN: BearingPoint. Why have we never heard of this company? Where does it come from?

ANTONIA JUHASZ: BearingPoint was KPMG Consulting, but had to change its name in the wake of the Arthur Andersen scandal, but BearingPoint picked up all of Arthur Andersen's old clientele and is essentially just the reborn KPMG. And BearingPoint, you probably haven't heard of, though, because they work in the back room. They write things like new economic policies, but are not the people seen on the ground implementing the policies.

Actually, there's a wonderful story that I tell in the book by a member of the Coalition Provisional Authority, the U.S. occupation government in Iraq, who says, 'One day these people from this place called BearingPoint came up and started telling us about these economic policies that were so unrealistic. I didn't know who they were and what they were talking about.' Well, what they were talking about was an economic agenda that seemed completely ridiculous for the people on the ground who are looking at sewage flowing through the streets and Iraqis saying over and over and over again, 'The most important thing we need is electricity. Just electricity. Just give us our electricity back,' and failing to do it.

But this was BearingPoint, and they are still there. Their contract was renewed. They're still focusing in particular on privatization of Iraq's state-owned enterprises. That's almost the sole focus of their current contract, and that contract goes, I believe, until 2007.

AMY GOODMAN: You have a quote of Lakhdar Brahimi, who is the U.N. Special Adviser to Iraq. A few years ago, he said, "Bremer," talking about L. Paul Bremer, "is the dictator of Iraq. He has the money. He has the signature. Nothing happens without his agreement in this country."

ANTONIA JUHASZ: Bremer became the dictator of Iraq. His orders laid out the law. Now, probably the most important thing to know is that that was completely illegal under international law. The Geneva Conventions are very specific about what an occupying power should do. It must provide basic security and services. It cannot change the laws or the political structure of the country it occupies. The Bush administration did exactly the opposite -- changed all the fundamental economic and political laws and utterly failed to

provide for the security and the basic needs of the Iraqi people. What you hear most often in Iraq today is people saying, "Please just put us back where we were before you came."

AMY GOODMAN: We're talking to Antonia Juhasz, author and activist, wrote *The Bush Agenda: Invading the World, One Economy at a Time*. Now, gas is over \$3 in many places. What's the connection?

ANTONIA JUHASZ: Well, here's the connection. The Bush administration is the most beholden administration probably in American history to the oil and gas industry. This is the first time in history that the President, Vice President and Secretary of State are all former energy company officials. In fact, both Bush and Rice have more experience as energy company officials than they do as government leaders. Cheney outbeats them. He's spent 30 years working for government. However, his five years at Halliburton have been so profitable that you might say that his Halliburton years outweigh their oil years, because Bush was a very bad oil company executive. But their links to the oil sector are deep.

The oil industry provided more than 13 times more money to the Bush-Cheney ticket in the first round of elections than it did to his competitor, nine times more in the second. And this industry has been absolutely coddled by the Bush administration: enormous tax subsidies, deregulation, and, I would argue, a war waged on their behalf.

Now, there's two intimate connections between the war and the price of gas. But first, I think it's very important for people to understand that the vertical integration of the oil industry, which has been absolutely exacerbated under the Bush administration. For example, ChevronTexaco and Unocal merging into one company, the completion of Exxon and Mobil's merger, all of these little companies merging into enormous behemoths, so that you have ExxonMobil being the company that has received the highest profits of any company in the world, over the last two years, ever in the history of the world. That is because of the vertical integration and monopoly power of these companies. That means that they control exploration, production, refining, marketing and sales.

The price of oil at the pump is about 50% the price of a barrel of oil, about 25% taxes, and then the rest is marketing and just the price determined by the company at the pump. So that means that about 18% to 20% is absolutely determined by the oil companies themselves and governed by the companies themselves. So they could reduce the price of oil and reduce their profit margin, or they could jack up the price of oil and increase their profit margin. They have chosen to do the latter.

And one of the things that has helped them do that is, first of all, the United States is receiving a tremendous amount of oil from Iraq. Oil is down in overall export and production, but not tremendously so. We were -- at prewar was 2.5 million barrels a day. We're now at about 2 or 2.2 million barrels a day. But 50% of that, on average, is coming to the United States, and it's being brought to the United States by Chevron and Exxon and Marathon. The myth of dramatically reduced supply has helped them create an

argument to the American public, which is, you know, it's a time of war, we're suffering, gas prices are going to go up, everyone needs to come in and support this because this is war. Well, that's just not true. The companies are using that as a myth to help make it okay for them to receive these utterly ridiculous profits.

AMY GOODMAN: In your chapter "A Mutual Seduction," you have a quote of Ken Derr, the former C.E.O. of Chevron, 1998. I know his tenure well. It was the time in the Niger Delta that Chevron was involved with the killing of two Nigerian villagers, who were protesting yet another oil spill of Chevron and jobs not being given to the local community as they drilled for oil. But your quote here says, "Iraq possesses huge reserves of oil and gas, reserves I would love Chevron to have access to." And then you follow that by a quote of John Gibson, Chief Executive of Halliburton Energy Service Group, who says, "We hope Iraq will be the first domino and that Libya and Iran will follow. We don't like being kept out of markets, because it gives our competitors an unfair advantage."

ANTONIA JUHASZ: I love it when they're honest. It doesn't happen very often. Yeah, these companies have been explicit, for decades, that they want in, particularly to Iraq. The reason is obvious. Iraq certainly has the second largest oil reserves in the world, but some geologists believe it has the largest, at least on par with Saudi Arabia. That's a tremendous pool of wealth. And not just have the companies been clear that they want access to that oil, U.S. leaders -- for example, Dick Cheney, Paul Wolfowitz, Zalmay Khalilzad, Donald Rumsfeld -- have all been explicit for the past 20 years that what the U.S. needs to do is gain increased access to the region's oil, and most explicitly during the '90s, Iraq's oil, that this is something that shouldn't be in the hands of Saddam Hussein.

The difference, going into the current Bush administration, was that the rhetoric changed to and the reality changed to not just we need a new leader, we need a new -- a fully new political and economic structure in Iraq, and we need to be in that country to make sure that that structure gets put into place. And that is exactly what they have achieved, and now Halliburton, Chevron, Bechtel, Lockheed Martin have profited tremendously from this process already. Chevron's -- the U.S. value of Iraqi oil, imported Iraqi oil, has increased by 86% between 2003 and 2004. Those profits have gone to Exxon, Chevron and Marathon.

Chevron has seen its most profitable years in its entire 125-year history over the last two years. They are making out like bandits. They have been at the forefront of advocating for decades for increased U.S. economic access to Iraq. And now, they are one of the few companies that are poised once the new oil law is implemented. And that oil law has its history in the U.S. State Department, in the Iraqi Oil and Energy Working Group that formed right before the war.

A member of that working group whose last name is Aloum, and I'm blanking on his first name [Ibrahim Bahr], became Oil Minister of Iraq. He's the man who eviscerated all of the pre-existing oil contracts that Saddam Hussein had signed. At the end of Saddam Hussein's tenure, he had signed about 30 contracts with companies from all around the

world to give them access to Iraq's oil sector. None of those contracts were with the United States or U.S. oil companies. The Cheney Energy Task Force, that met at the very beginning of the Bush administration, mapped out foreign suitors to Iraqi oil, listed all of the companies, all of the countries, the fields that they had access to, within a document that said we need --the U.S. needs to get greater access to Middle East oil.

AMY GOODMAN: Can you tell us who Cheney met with?

ANTONIA JUHASZ: Cheney met with -- thank goodness for the Supreme Court, that ruled to release these documents, because otherwise they were completely secret. He met with Bechtel, Chevron, Halliburton, Exxon, all of the largest oil companies and all of the largest oil engineering companies, and they decided we need to increase our access to Middle Eastern oil.

Aloum then became Iraq's Oil Minister.

AMY GOODMAN: Ibrahim Bahr Al-Aloum.

ANTONIA JUHASZ: Thank you very much.

AMY GOODMAN: From your book.

ANTONIA JUHASZ: From my book. It's good to remember what's in my book. Canceled all of the pre-existing oil contracts. Now, Abdel Mahdi has said several times, "The new oil law, when it's put in place, is going to be very good for U.S. oil companies." Chevron, Exxon, the other companies are sort of hovering on the outside. They've signed what are called "memoranda of understanding," essentially free services. Chevron has been training Iraqi workers in the United States for years, mapping -- doing mappings, free services, so that they are ready, when the permanent government is in place, to sign contracts. And then, I believe, once those contracts are signed, they will get to work, but they need security. And what better security force than 150,000 American troops. And I do not think that those troops will leave, unless we all have something to do about it, until the oil companies are safely at work.

AMY GOODMAN: In our next segment we're going to talk about the protest in this country, but I wanted to ask you about Henry Kissinger and his role in this.

ANTONIA JUHASZ: Well, Henry Kissinger is a fascinating character in all realms. He has been fascinating for me to follow, because in that chapter that you talked about, "Turning Toward Iraq," I look at U.S. business interests and how they aggressively pursued a greater U.S. relationship with Iraq.

Henry Kissinger founded Kissinger Associates the same year that Ronald Reagan opened up for first time economic relationships between the United States and Iraq. Reagan was the hottest pursuer, until George Bush, Sr. came onto the team and really pushed for better relationships was Saddam Hussein. But Kissinger and Associates was a lead advice

--providing advice to multinational corporations on how to operate abroad, and one of the lead advocates of enhancing the U.S. economic relationship with Iraq.

Then, one of his managing directors, L. Paul Bremer, left Kissinger and Associates and went to found his own crisis management company, which essentially advised multinational corporations on how to operate under the horrible consequences of corporate globalization policies. He wrote a wonderful paper where he said, you know, the policies of corporate globalization create inequality, increase the cost of services, creates hostilities, so corporations, you really need to buy my insurance, because that's the only way to protect yourself against these policies. And then he went on and implemented those policies in Iraq.

But Kissinger aggressively lobbied, as well, for the second Iraq war and wrote some blistering op-eds, in particular, arguing for the need to invade. And I would imagine, although the records of Kissinger Associates are remarkably secret, that he is now working to help advance the interests of his companies.

But one of the things that has happened is that while U.S. companies have received billions of dollars for the reconstruction, the environment in Iraq is not safe. It's not what the Bush administration had hoped for three years in, and so the companies are sort of waiting on the edges, just like the oil companies are waiting on the edges, to take advantage of this new economic environment. While they wait, however, the U.S. Middle East Free Trade Area advances, and that's where the trillions of dollars are already starting to flow.

AMY GOODMAN: Antonia Juhasz is our guest. Her book is *The Bush Agenda: Invading the World, One Economy at a Time*. You write, "To replace the Bush agenda, we must address each of its key pillars individually -- war, imperialism and corporate globalization." Can you outline your vision of an alternative to the Bush agenda?

ANTONIA JUHASZ: Yeah. The last chapter of the book provides the whole analysis, so I will do it shortly here. But the most important thing, I guess, to say at the outset is I believe that we are already doing this, that we have incredible activist movements that have made it so that only 30% of the population even trusts the President today, only 35% even believe in the war -- that is because of the tremendous organizing that has taken place -- and that what we have to do is enlarge the mobilizing that we are already doing and just bring more people into the fold, that what we are doing is working. But the first is, on the war, obviously, I believe that we have to bring the troops home. But we also have to bring all of the economic transformers home, like the BearingPoints. We have to cancel all of the reconstruction contracts. And we have to make all those companies give back the money for their failed reconstruction.

AMY GOODMAN: Make Bechtel give back \$2.8 billion?

ANTONIA JUHASZ: \$2.8 billion. Absolutely. For utterly failing in its contractual obligations. That's Parsons with almost -- I'm going to get the numbers wrong -- with \$5

billion, Shaw Group International with something like \$5 billion. And these are all companies that should sound familiar to people who are following the reconstruction in New Orleans. And these companies are also failing in New Orleans. They shouldn't get our money if they fail. If they did a great job, they can have my money -- I'm fine with that -- but not if they utterly fail and create more hatred and animosity towards the United States. So they need to give back their money.

And that money, I believe, needs to be put into a reconstruction trust fund that is directed exclusively towards Iraqi companies and Iraqi workers, and in the book I outline the dozens, if not hundreds, of Iraqi private and public companies that are more than capable of performing this work -- they just need money -- and the hundreds of thousands of Iraqi workers who are absolutely capable of performing this work. The money just needs to get to them.

AMY GOODMAN: I think most people would be surprised hearing you say this.

ANTONIA JUHASZ: Absolutely.

AMY GOODMAN: That Iraqi soldiers are not ready, and certainly they hear nothing about the Iraqi business community or corporations that could be involved in this reconstruction.

ANTONIA JUHASZ: Absolutely. I mean, there are hundreds of state-owned enterprises, factories, consulting businesses, engineers. After the first Gulf War, Iraqi engineers rebuilt bridges, roads, electricity, water. All of these -- as I said, both private and public companies are still there.

What happened with the soldiers isn't that they weren't capable of being soldiers. It's that Paul Bremer fired the entire Iraqi army in his first week of being in Iraq. Half a million men were sent home with their weapons into an unemployment environment that was 50% to 70% unemployment. They then were joined by 120,000 of Iraq's leading bureaucrats, who were also all fired by Paul Bremer at the beginning of the occupation, because he didn't want people to stand in the way of his new economic regime.

They all then watched as American companies came in and took billions of dollars in reconstruction money and failed. And it created enormous hostility and anger. And of the half a million men that were members of the Iraqi army, only some 200,000, at the best, are now back in the military, and they're being trained under the American occupiers, and there's tremendous hostility still. So I don't think that the Iraqis are poor soldiers. I think they're pissed at the occupation, and they are also facing an incredibly hostile environment within which they are working. And so, they're having a difficult time. Again, that was a private company that made the decision to fire the Iraqi military. Ronco Consulting had the contract of what to do with the military, and they're the ones, I imagine, that decided they should all be fired.

So, reconstruction can happen. The money just needs to get to the Iraqis. I also think that there is just some tremendous work that's been done by groups around the world who have followed reconstruction, that have demonstrated that the more local the decision-making is in a post-war country, the more likely you're going to get to see reconstruction really hit where it needs to be met and the more likely people are going to commit to a locality, so, as much as possible, directing reconstruction funds down, devolving them to the local level and disbursing the reconstruction funds not in one huge spurt so that you get a wild west mentality, which is 'We've got to spend it now, we've got to spend it fast,' which breeds corruption, when suddenly \$50 billion is dropped into anyone's lap, but to disburse it and make it a guaranteed amount over even ten, even fifteen years, so that the reconstruction can be done thoughtfully, and again, so that it can devolve to the local level.

And I say, because I believe, unfortunately, that the new Iraqi government is simply not reflective of the people of Iraq -- however, it is the Iraqi government -- that there should be an international monitoring board that partners with the Iraqi government, made up of non-governmental groups with specific knowledge in reconstruction, obviously Iraqi civil society groups and people from the appropriate United Nations offices that have expertise, and maybe one representative of the United States government, since most of the money would be U.S. taxpayer money, but certainly not with, you know, oversight over the rest of the every member of the committee.

AMY GOODMAN: And the troops? The U.S. troops?

ANTONIA JUHASZ: U.S. troops have to be withdrawn. There's just no -- there's no way around it. It's not going to be pretty. And I think we fool ourselves if we say peace will rain on Iraq as soon as the U.S. soldiers leave. But it is still unquestionable that U.S. troops are creating more hostility than they are solving.

AMY GOODMAN: Well, we'll have to leave it there. In our next segment, talk about the peace protests in this country. Antonia Juhasz has been our guest. Her book is called *The Bush Agenda: Invading the World, One Economy at a Time*. Thank you for joining us.

ANTONIA JUHASZ: Thank you, Amy