

# Another Neo-Con Imperial Plot: Who's behind the Oil-for-Food Scandal?

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*It was nice to see the White House finally pull the plug on the transparent scheme of the neo-cons to smear U.N. General Secretary Kofi Annan over the alleged "oil-for-food scandal." For a while, it looked like the imperialist wing of the GOP was in control, but U.N. Ambassador John Danforth has now made it clear the President is not one of the pack after Kofi's scalp. Kofi's safe, but the neo-cons are still intent in weakening the U.N. as much as they can, as I made clear in this commentary I wrote earlier this week for the English-language website of Al Jazeera.*

<http://english.aljazeera.net/NR/exeres/561BE24F-B06B-4CC1-B28A-F6845EA8E469.htm>

Once it became clear some months ago that Saddam Hussein had been telling the truth about not having weapons of mass destruction or connections to al-Qaida, it should have been an embarrassment to the neo-conservatives who talked President George Bush into war with Iraq.

They were not in the least embarrassed, though, because they had known well before the invasion that Saddam had done everything he could possibly do to assure the world that he was no threat to the region, the US and the world.

Their intent all along was no secret: They wanted "regime change" to fit their plans for an American empire, with a permanent outpost in Baghdad.

To do this, they had to clear out all the obstacles in their path - which meant open assaults on the international institutions that had been developed to prevent war, through diplomacy backed by the threat of sanctions.

This meant demeaning the United Nations, the UN Monitoring, Verification and Inspection Commission (UNMOVIC) inspectors of chemical and biological weapons under Hans Blix, and the International Atomic Energy Agency under Muhammad al-Baradai.

France, Germany, Russia and China had become obstacles to regime change in Baghdad, either at the UN Security Council or at Nato, or both.

To neutralise them with American public opinion, the neo-cons used their contacts in the news media to broadcast the argument that these countries were pursuing selfish interests related to Iraq's oil.

Out of this soup came the "oil-for-food scandal" which now threatens to bring down UN

General-Secretary Kofi Annan and besmirch the UN and its affiliated institutions.

A headline in the 4 December New York Times warns: "Annan's post at the UN may be at risk, officials fear."

It's clear enough the neo-cons and the news outlets that do their bidding are behind the "scandal" story.

In the Times account, Richard Holbrooke, the ambassador to the United Nations under president Bill Clinton and an Annan backer, said: "The danger now is that a group of people who want to destroy or paralyse the UN are beginning to pick up support from some of those whose goal is to reform it."

Yes, but what's going on? Where's the scandal?

On the surface, there has yet to be found a single person with his hand in the UN cookie jar. All that has appeared to date are assertions that various people associated with the management of the oil-for-food programme in Iraq and the UN benefited financially through shady transactions.

It is further alleged that UN officials looked the other way as Saddam Hussein arranged kickbacks of billions of dollars that went into foreign bank accounts, with inferences that he was using the cash to finance his military machine and international terrorism, build palaces to aggrandise himself, all the while diverting money from the intended recipients – the poor Iraqi people.

To put all this in perspective, remember that Saddam was the duly constituted head of state in Iraq, his government not only officially recognised by the US during the Iran/Iraq war, but also was given palpable support in the war.

Why he invaded Kuwait in 1990 is another story, but it is now absolutely clear his dispute was only with the emir of Kuwait and not any other country in the Middle East.

It has now also been shown that Iraq had met the conditions of the UN Security Council post-Gulf war resolution which demanded he destroy his unconventional weapons before economic sanctions could be lifted and the Iraqi government could resume the sale of oil.

From this vantage point, it was the UN that took possession of the oil resources of the Iraqi people.

By rough reckoning, I find that if the sanctions had been lifted in 1991 (when they should have been lifted), Iraq would have earned enormous amounts of money from the sale of their oil. At an average of \$10 a barrel of oil (bbl) over 14 years, they would have collected \$126 billion.

At a more reasonable average over the period of \$15 to \$20, the Iraqi government would have been able to pay all its creditors and at the same time enable the Iraqi people to return to the high living standards they enjoyed before the Iran-Iraq war (during which, I repeat, the US supported Iraq).

It was because of the UN economic sanctions that persisted because of US/British insistence

that the oil-for-food programme came into existence in 1996.

This was partly the result of UN reports that 1.5 million Iraqi civilians had died because of the malnutrition and disease engendered by the sanctions.

More directly, it was because president Clinton bombed Iraq in early September 1996 during his re-election campaign that year, on the information that Baghdad had violated the “no-fly zone” over Iraqi Kurdistan.

It turned out Saddam did not violate the “no-fly zone” but had sent troops on the ground to Kurdistan at the request of the provincial government, which had come under attack by Iranian-backed Kurds.

The reason? Economic distress, with the region suffering from the same malnutrition and disease afflicting all of Iraq.

The Kurds are the friends of the neo-conservatives. They had to be helped out of this distress. Hence, the oil-for-food programme, designed to relieve all Iraqi citizens, but mostly Kurds, who would get the lion`s share of the relief from the oil revenues.

I`m not sure about all the details of how the programme was managed in the years since. But when the neo-cons raised the corruption issue at the UN through their friends in the news media, Annan finally saw he had to respond.

He said he would investigate the allegations and persuaded former Federal Reserve chairman Paul Volcker – arguably the most respected, squeaky clean political figure in America – to undertake the investigation and make a report, which is expected sometime next month.

Annan has rejected calls for his resignation coming from a US Republican Senator Norman Coleman of Minnesota.

Without naming him, it was clearly Coleman to whom he referred at a press conference last weekend when he said: “My hope had been that once the independent investigative committee had been set up [under Volcker], we would all wait for them to do their work and then draw our conclusions and make judgments. This has not turned out to be the case.”

Why were Annan`s hopes dashed by Coleman, a freshman senator who chairs the permanent subcommittee on investigations?

My educated guess is that the neo-cons who continue to have serious influence on the Bush administration through Vice-President Dick Cheney`s office, knew full well that if the Volcker commission did its job honestly, it would be able to report that the oil-for-food programme worked pretty much as it was designed to work.

It would have found that nothing criminal or corrupt was done and that even Saddam had done nothing any other head of state in his shoes would not have done under similar circumstances.

It is perfectly obvious that Coleman saw a chance to make a splash with assertions that corruption at the UN was already a known fact.

His “smoking gun” was the news that Kofi Annan’s son received payments of \$150,000 over several years from a company that was a contractor in the oil-for-food programme.

Where did this news come from? The New York Sun, a tiny newspaper founded by Canadian mogul Conrad Black four years ago as a mouthpiece for the neo-cons.

Richard Perle, the most prominent of the neo-con intellectuals who misled Bush to war with Iraq, has been a long time partner of Conrad Black and a director of the Jerusalem Post, one of Black’s many media holdings.

Perle is also the guiding light for Rupert Murdoch’s Fox News media empire, plus the National Review, and a galaxy of staff members of both political parties in the US Congress.

Claudia Rosette, who writes for the Wall Street Journal’s editorial page, was assigned to take on Volcker and in several articles has practically painted him as a lapdog of Kofi Annan, at the very least a foot-dragger who should already be able to condemn the UN for corruption.

The game plan is of course to force Volcker to issue a report that smears the UN and threatens it with a cut-off of US funds unless there is a house cleaning.

But what if Volcker finds that the only “wrong” was committed by the Baghdad government in selling Iraq’s own oil to its neighbours, particularly to Turkey and Jordan, and that the revenues were deposited in state bank accounts and used for legitimate state reasons?

We also know the oil that went through the hands of the UN agency set up to make sure the revenues went to the people, not to the Iraqi government, also had to have the cooperation of Baghdad in lifting the oil and delivering it.

A 2.5% “kickback”, as it has been termed by Rosett, Coleman and the neo-con press corps, can be more properly be termed a “fee” for facilitating this process.

If these fees were paid into the government, not to numbered bank accounts, the regime would have to be judged clean on that count by Volcker. He is in a tight spot.

What about the damning report of Charles Duelfer and his Iraqi Survey Group, which announced last month that Saddam Hussein destroyed all of his weapons of mass destruction and their programmes in 1991?

In his report, he also brought up the oil-for-food programme, which was never part of his mission when he was appointed by Bush to check further into Iraq’s WMD intentions.

Duelfer, who could not pretend to have found WMD when none existed, clearly used the oil-for-food programme to distract attention from his central finding.

The report gratuitously contained the thesis that if Saddam someday wanted to rebuild his WMD capabilities, he could be using the programme to that end, with the complicity of the French, Russians, Chinese, United Nations and major oil companies.

Logic should tell you, though, that the neo-cons have been behind this hoax from the start, that they never intended to lift the sanctions on Iraq even while knowing back in 1991 that Saddam almost certainly had complied with that first UN resolution.

The Iraqis who are in a position to clear all this up and demonstrate that while certain transactions might appear suspicious on the surface, but can be fully explained, are not available for testimony.

The regime is under lock and key and not available to Rosette or Coleman. Volcker presumably has access to them, but is not sharing his findings with the US Congress, which he is not required to do.

His report to the UN will be made public and judgments can then be made. It may be there is no scandal at all. Just another trick of the neo-conservatives to blow away anyone who gets in the way of their plans for a global empire.

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