

A Deliberate Debacle

By Paul Krugman

James Baker sets off to negotiate Iraqi debt forgiveness with our estranged allies. And at that very moment the deputy secretary of defense releases a “Determination and Findings” on reconstruction contracts that not only excludes those allies from bidding, but does so with highly offensive language. What’s going on?

Maybe I’m giving Paul Wolfowitz too much credit, but I don’t think this was mere incompetence. I think the administration’s hard-liners are deliberately sabotaging reconciliation.

Surely this wasn’t just about reserving contracts for administration cronies. Yes, Halliburton is profiteering in Iraq—will apologists finally concede the point, now that a Pentagon audit finds overcharging? And reports suggest a scandal in Bechtel’s vaunted school-repair program.

But I’ve always found claims that profiteering was the motive for the Iraq war—as opposed to a fringe benefit—as implausible as claims that the war was about fighting terrorism. There are deeper motives here.

Mr. Wolfowitz’s official rationale for the contract policy is astonishingly cynical: “Limiting competition for prime contracts will encourage the expansion of international cooperation in Iraq and in future efforts”—future efforts?—and “should encourage the continued cooperation of coalition members.” Translation: we can bribe other nations to send troops.

But I doubt whether even Mr. Wolfowitz believes that. The last year, from the failure to get U.N. approval for the war to the retreat over the steel tariff, has been one long lesson in the limits of U.S. economic leverage. Mr. Wolfowitz knows as well as the rest of us that allies who could really provide useful help won’t be swayed by a few lucrative contracts.

If the contracts don’t provide useful leverage, however, why torpedo a potential reconciliation between America and its allies? Perhaps because Mr. Wolfowitz’s faction doesn’t want such a reconciliation.

These are tough times for the architects of the “Bush doctrine” of unilateralism and preventive war. Dick Cheney, Donald Rumsfeld and their fellow Project for a New American Century alumni viewed Iraq as a pilot project, one that would validate their views and clear the way for further regime changes. (Hence Mr. Wolfowitz’s line about “future efforts.”)

Instead, the venture has turned sour—and many insiders see Mr. Baker’s mission as part of an effort by veterans of the first Bush administration to extricate George W. Bush from the hard-liners’ clutches. If the mission collapses amid acrimony over contracts, that’s a good thing from the hard-liners’ point of view.

Bear in mind that there is plenty of evidence of policy freebooting by administration hawks, such as the clandestine meetings last summer between Pentagon officials working for Douglas Feith, under secretary of defense for policy and planning—and a key player in the misrepresentation of the Iraqi threat—and Iranians of dubious repute. Remember also that blowups by the hard-liners, just when the conciliators seem to be getting somewhere, have been a pattern.

There was a striking example in August. It seemed that Colin Powell had finally convinced President Bush that if we aren’t planning a war with North Korea, it makes sense to negotiate. But then John Bolton, the under secretary of state for arms control, whose role is more accurately described as “the neocons’ man at State,” gave a speech about Kim Jong Il, declaring: “To give in to his extortionist demands would only encourage him and, perhaps more ominously, other would-be tyrants.”

In short, this week's diplomatic debacle probably reflects an internal power struggle, with hawks using the contracts issue as a way to prevent Republican grown-ups from regaining control of U.S. foreign policy. And initial indications are that the ploy is working—that the hawks have, once again, managed to tap into Mr. Bush's fondness for moralistic, good-versus-evil formulations. "It's very simple," Mr. Bush said yesterday. "Our people risk their lives. . . . Friendly coalition folks risk their lives. . . . The contracting is going to reflect that."

In the end the Bush doctrine—based on delusions of grandeur about America's ability to dominate the world through force—will collapse. What we've just learned is how hard and dirty the doctrine's proponents will fight against the inevitable.