



Written by [Michael Tennant](#) on September 16, 2010

Iraq Runs Surplus, but Obama Wants to Send More Money

If you're Barack Obama, you would insist that Americans keep footing the bill for the foreign country's security, in violation of both good fiscal sense and the Constitution you swore to uphold.

The Government Accountability Office, Congress's investigative agency, issued a [report](#) stating that the government of Iraq had "cumulative budget surpluses of \$52.1 billion through December 2009, of which at least \$11.8 billion is available for future spending. These surpluses have enabled Iraq to accumulate at least \$15.3 billion in financial deposit balances." "In light of these resources," the GAO concluded, "Iraq has the potential to further contribute toward its security needs, even as it addresses other competing priorities."



Moreover, the GAO found that Iraq's Defense and Interior Ministries had failed to spend billions of dollars that had been budgeted for equipment purchases and other security measures. Why send them more money when they haven't even spent what they have and appear to have little interest in doing so?

The GAO undertook the study because the Obama administration is requesting an additional \$2 billion from Congress to spend on Iraqi security training and equipment. Congress has already approved \$1 billion in supplemental spending for the same purpose.

The study has, naturally, "provided ammunition to lawmakers who've argued that the United States shouldn't run up its own budget deficit to bankroll the Pentagon's military training mission in Iraq," as Shashank Bengali reports for McClatchy Newspapers. Bengali specifically mentions Sen. Carl Levin (D-Mich.), chairman of the Senate Armed Services Committee, who "has argued that the administration's request should be cut in half, to \$1 billion, because Iraq has enough oil revenues to pay for its own security requirements."

"The Obama administration," writes Bengali, "said carrying out the GAO recommendation could put Iraq at financial risk and jeopardize U.S. interests in a country where it's spent, by the report's calculation, \$642 billion in military operations since 2003." (Remember when the Bush administration calculated the war would cost \$50 billion and Bush promptly fired his senior economic adviser, Lawrence Lindsey, for estimating the bill would run to perhaps \$200 billion?)

The report continues:

U.S. officials in Iraq said that the country's budget — as much as 90 percent of which comes from oil revenues — remains vulnerable to oil price shocks and that its surplus is largely the result of the government being unable to spend as much as it had planned on reconstruction projects.



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As security conditions have improved, Iraq is pumping more money into building roads, power plants, schools and hospitals. Coupled with projected deficits and slightly lower than expected oil production this year, U.S. officials in Iraq said, the surplus will evaporate in 2011.

"They are going into the red now," said Kenneth Fairfax, an economic affairs counselor at the U.S. Embassy in Baghdad. "We're no longer in this period of budget surpluses. It's actual deficits that are coming up."

Of course, Washington has been running "actual deficits" for decades, but piling more debt on top of that seems not to concern the administration. What matters, said Fairfax, is that "we have a long-term, enduring civilian cooperation with Iraq. If the cost of attempting to have them spend more money next year puts them at financial risk in the future ... that is not a position that is in our interest to put them in." Putting the United States at financial risk apparently does not figure into the equation.

That "long-term ... cooperation with Iraq" may come as a surprise to those who believed that combat had ended in Iraq and that the United States is beginning a slow but steady process of disengagement from the country. In fact, U.S. troops are [still engaged in combat](#) in Iraq; and, reports Agence France Presse, "Iraqi army chief of staff General Babaker Zebari [said] that his country's forces would require US support for another decade." Noah Feldman of the highly influential Council on Foreign Relations has [argued](#) that the United States should continue to be involved in Iraq's security for decades to come. The additional \$2 billion the administration is requesting for fiscal year 2011 is minuscule compared to the billions upon billions U.S. taxpayers will be shelling out to keep troops and other government agents in Iraq in the coming years.

Meanwhile, Americans are also [on the hook](#) for about \$6 billion a year for the next five years to train Afghanistan's security forces, and Afghan President Hamid Karzai says that his country won't be able to pay for its own security until 2024. Guess who will end up footing the bill for that.

The GAO is correct that Iraq should be financing its own security, if for no other reason than that the Iraq war itself, and the ensuing foreign aid, are both unconstitutional. However, even if they were legal, the last thing the U.S. government should be doing when it is drowning in red ink is to take on another country's obligations — especially when that country is running a surplus.

In addition, as long as Washington keeps Iraq, Afghanistan, and other countries on the dole, they have little incentive to take responsibility for their own problems. Like domestic welfare recipients, they will remain happily dependent on productive Americans, demanding ever-increasing transfer payments each year until taxpayers are bled dry.

Rather than sending more money to Iraq and Afghanistan, the administration should be eliminating such aid, and bringing the troops home to boot. It's the constitutional thing to do — and also the best thing for Iraqis, Afghans, and Americans alike.

Thumbnail: President Obama speaks to soldiers in Iraq on April 7, 2009. DoD Photo.



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