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Saving Iraq . . . from the U.N.

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Last Saturday, French Foreign Minister Dominique de Villepin "proposed a radically new approach" that would take control of Iraq from the U.S. (surprise) and give it to the U.N. He demanded that an Iraqi provisional government be established within a month, a constitution written by the end of the year, and elections held by the spring of 2004.

Iraq does need a constitution, but not one written by the French or the U.N. The simple fact is that the French and most members of the U.N. do not even understand what a constitution should be. As evidence, a former French president and current president of the European Convention, Valery Giscard d'Estaing, has just submitted a proposed 242-page constitution for the European Union, as contrasted with the U.S. Constitution of 15 pages. The constitutions of most U.N. members are also excessively long, do not adequately protect individual liberties, and are filled with demands, falsely called "rights," for such things as housing, medical care, etc., that can only be met by coercing others to provide them.

The U.S. government has plunged headlong into bringing economic and political reform to Iraq, but is doing so without a clearly articulated and understood master plan, thus giving the French and others opportunities to make mischief.

For Iraq to succeed, it needs to become a democratic and free-market country under the rule of law where individual rights and liberties are protected. This goal requires a constitution that creates a democratic system of government, protects individual liberties and property rights, and establishes the rule of law. Such a constitution can be drafted within a few weeks (as was the U.S. Constitution, whose authors did not have the benefit of word processors).

The U.S. should take a major hand in drafting the constitution to make sure it follows the model of the two oldest and most successful democracies, the U.S. and Switzerland. It needs to: protect basic rights, such as speech, press, religion, assembly and so forth; confine the powers of government to secure the liberties of the people through separation of powers; and protect economic liberties and private property. It should not contain "active rights" such as a demand for "adequate incomes." If the new constitution is more than 20 pages, it will probably fail to do what is needed.

Some in the international community and the news media are saying we must leave the constitution writing to some elected group of Iraqis for it to be legitimate. That is thinking backward. The administration should pick some well-qualified Iraqis and Americans who have a clear understanding of constitutional law and what a constitution needs to do, have them write it within a couple of weeks, and then promote it to the Iraqi people. The authors of our own Constitution had to spend weeks selling it to the American people — that is what the Federalist Papers were all about. It is not who writes the constitution that gives it legitimacy, but whether the people accept it in a ratification process.

The U.S. or any foreign role in economic reform is severely limited until a proper constitutional framework is established.

For instance, the U.S. Treasury Department experts and USAID contractors have been trying to put in place a modern banking system in Iraq. But for banks to function properly, there should be guarantee of property rights and stable money with a predicable tax and nondestructive regulatory framework.

Step One is to establish property rights (in a constitution), starting off with real property (land and structures). Step Two is to put in place a noncorrupt and competent judicial system and supporting agencies such as the land registry. Once Steps One and Two have been established, banks begin to have a basis to lend money, because their loans can be secured by real property.

The most productive and, in fact, absolutely necessary thing for the U.S. government to do now is simultaneously write the new constitution, sell it to the people, and establish the master plan for political and economic reform with the proper sequencing of events. The current system of contracting out piecemeal reform projects to experts cannot succeed unless it is placed in the proper overall framework.

The U.S. should not turn over any of the constitution writing or reform planning to the U.N. (with its long record of incompetence) or the EU (with its questionable agenda and competence). The World Bank should be kept out, because its primary activity is to provide loans to government agencies and entities — i.e. it supports the statist or socialist model, which is the last thing Iraq needs.

The World Bank also provides "economic advice" for which the countries are charged, even though much of it is far less competent than could be achieved at lower cost or for free from the major economic public policy organizations. The Organization for Economic Cooperation and Development also also be kept at arms-length because it has now adopted anti-economic growth policies with its war on tax competition — and Iraq must have low taxes to compete in the world.

U.S. officials should exclude the multinational organizations, which are often hostile to our interests and those of free-market democratic capitalism, and instead turn to

experienced experts in free-market policy institutes for the advice and support they need to complete the job in Iraq.

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