

Michael Stein Address on U.S. Middle East Policy: Iraq—The Way Forward

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ABOUT THE AUTHORS



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Brief Analysis

You have heard President Bush talk about a forward strategy for freedom in the Middle East. The president's vision of the future for the Middle East is predicated on one clear principle: that the advance of freedom and democracy leads to peace and progress for all. As the president has said, as long as the Middle East is a place of tyranny and despair and anger, it will produce men and movements that threaten the safety of Americans and our friends. We seek the advance of democracy for the most practical of reasons: because democracies do not support terrorists or threaten the world with weapons of mass destruction.

A free, democratic, and secure Iraq is critical to the success of this vision, and a broad coalition of more than thirty countries have joined together in pursuit of this goal. I want to talk to you this evening about the situation in Iraq.

Needless to say, the month of April was a difficult one for coalition forces, and it was a difficult one for the Iraqi people. Some remnants of Saddam Husayn's regime, along with some foreign Islamic militants attacked coalition forces in the city of Fallujah. In the south of Iraq, coalition forces faced attacks incited by a radical cleric, Muqtada al-Sadr, and carried out by his illegal militia. His methods of violence and intimidation are widely repudiated by other Iraqi Shi'i, and he has been indicted by Iraqi authorities for the murder of a prominent Shi'i cleric. Currently, the situation in Fallujah has quieted somewhat. Elements of an indigenous Iraqi force called the Fallujah Brigade are beginning to take their place in the city. Our Marine units remain in battle positions around the city, and they will not leave until the Iraqi security elements prove themselves capable and willing to provide security, to quash the violence, and to return control of the city to the people of Fallujah.

In the south, outside of the holy areas of Najaf, Kufa, and Karbala, our troops are conducting operations and raids against al-Sadr's militia. There is evidence that senior Shi'i leaders are distancing themselves from him, and within Najaf, Kufa, and Karbala there is for the first time evidence that Shi'i themselves are taking a hand in resolving the standoff with al-Sadr's forces.

And this week evidence has come to light of terrible events that will complicate our efforts to bring democracy to Iraq and to the Middle East more generally. The practices that took place at Abu Ghraib prison are abhorrent and they do not represent America, or the U.S. military. The people of the Middle East can be assured that we will investigate

fully, that we will find out the truth, and that justice will be done.

These are big challenges. As we deal with these challenges, we need to move forward, and we will move forward on the path of returning sovereignty to the Iraqi people. The Iraqi people want to rule their own affairs, they have not been able to do so in decades. Getting them their sovereignty was one of the key goals we had for going into Iraq. For this reason the United States and its coalition partners will follow through on transferring full sovereignty to an interim Iraqi government on June 30. The coalition has no interest in occupying or controlling Iraq, and this transfer of sovereignty will clearly demonstrate that fact to the Iraqi people.

We are actively working with UN special envoy Lakhdar Brahimi, as he develops a plan for establishing this interim government, a government that he hopes to make broadly acceptable to the Iraqi people. He hopes to have this done by the end of this month, and we are working actively to help him. Whatever the structure and composition the Iraqis decide on for this interim government, all agree that one of its core roles will be to prepare Iraq for nationwide elections of an Iraqi transitional assembly, and for this to occur not later than the end of January 2005. In turn, the national assembly chosen in these elections will draft a constitution for a free Iraq and hold elections under that constitution for a permanent Iraqi government by the end of 2005.

In the meantime, we have been steadily investing in the infrastructure of democracy in Iraq. Overall, \$458 million is being used to support comprehensive democracy-building programs, and these activities range from holding local elections, to political-party building, to civic leadership programs. And people who have been in Iraq with these programs will tell you that there is an enormous thirst to learn the methods of democracy down at the most local levels of the country, and we are trying to respond to that desire and thirst.

There will be many challenges in the month ahead as Mr. Brahimi completes his work. But after long years of one man's tyranny, where genuine participation in governing Iraq was forbidden to all but a few, Iraqis are engaging in pluralistic politics: they are negotiating, they are bargaining, they are compromising, they are starting to solve the problems that bar them from a brighter future.

While Brahimi and the coalition work inside Iraq to achieve the transfer of sovereignty to Iraqis by June 30, we will be engaging in diplomacy with members of the Security Council, our coalition partners, and Iraqis themselves on a new Security Council resolution for Iraq. We expect that the Security Council will adopt that resolution well before the June 30 transfer of sovereignty. The new resolution will call on all nations to be involved in helping to secure Iraq's democratic future.

In the coming months, the president will be meeting and speaking with a variety of world leaders. He will travel to Italy and France the first week in June. He will host the leaders of Canada, England, France, Germany, Italy, Japan, and Russia the following week in Sea Island, Georgia, for the annual G-8 summit meeting. And later that month, the president will travel to the U.S.-European Union summit in Ireland and the NATO summit in Istanbul, Turkey. At these meetings the president will discuss with European leaders the importance of developing political and diplomatic ties with the new Iraq, the importance of debt reduction for that nation, and how we can work together to advance the efforts of free Iraqis to build a democratic Iraq. He will also discuss our broader effort to support those voices in the Middle East that are calling for greater political and economic freedom, democracy, prosperity, and respect for human rights.

Our commitment to Iraq is firm. The coalition will remain in Iraq after the transfer of sovereignty June 30 to help Iraqis secure their democratic future. But we will not remain one day longer than needed. That means continuing the work to help Iraqis build the capabilities they will need to provide security for themselves.

The United States and its coalition partners are also working to secure Iraq's economic viability. At the Madrid donors' conference, more than \$33 billion was pledged by donor nations and entities to build the infrastructure and

industry of that country. Included in that figure is at least \$5.5 billion pledged by international financial institutions for reconstruction. Key creditors in Europe, Asia, and the Persian Gulf have committed to substantial debt reduction for Iraq in 2004.

Iraq has taken its first steps to rejoin the global economy. It has opened its non-oil sector to international investment, it has invited foreign banks to apply for local licenses, it has instituted a low 5 percent reconstruction levy on imports, and it has become an observer at the World Trade Organization.

Iraq has also put in place the building blocks of private-sector growth. It is working to adhere to sound fiscal and monetary policies, implementing a balanced budget, creating an independent central bank, and liberalizing interest rates. The country has a new unified currency that has appreciated by 40 percent since its inception and has held steady for the past several months. A new-company law has been put into place to facilitate business registration. And nearly 2,000 microfinance loans have been provided to new entrepreneurs.

This is progress. There are obvious significant challenges that remain. There is a lack of credit availability, so that the Coalition Provisional Authority (CPA) is developing new credit facilities and working to modernize the private banking system. The CPA has plans for vocational training and employment centers to give Iraqis the skills necessary for the country's new economy, and especially so that they can participate in the reconstruction projects that are now coming on line that will help build the country's future. These projects include electrical systems, transportation networks, water and sanitation facilities, and other critical infrastructure needs that will further the stage for economic growth in the future.

The coalition has supported the Iraqis in restoring the country's oil sector to its prewar capacity. The oil infrastructure was badly battered by more than two decades of neglect by Saddam, by over ten years of international sanctions, and by three wars. Over the last year and working side by side, CPA and Iraqis have made progress. Oil production has been restored to nearly 2.5 million barrels a day. That figure is expected to go to 3 million by January 2005. Rising oil exports have brought in over \$5.5 billion in revenue to the Iraqi people this year alone. Again, more work is going to be required. There are tens of billions of dollars that are going to be needed in investment if Iraq is going to have a modernized and developed oil sector in the coming decade.

Iraq will be free, and a free Iraq will show that America is on the side of Muslims who wish to live in peace and freedom, as we have already shown in Kuwait and Kosovo, Bosnia and Afghanistan. The extremists want Iraq to descend into chaos and new forms of tyranny. But they will fail. It is partly because America and its coalition partners will not abandon the Iraqi people. But most importantly, it is because the extremists are not supported by a majority of the Iraqi people -- people who long for a better day and a brighter future.

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