

GAO TO WHITE HOUSE: WE HATE TO SAY WE TOLD YOU SO, BUT WE TOLD YOU SO

The NYT had a story yesterday reporting that the Iraqis just can't seem to spend its reconstruction money as quickly as it's supposed to be spending it.

Highly promising figures that the administration cited to demonstrate economic progress in Iraq last fall, when Congress was considering whether to continue financing the war, cannot be substantiated by official Iraqi budget records, the Government Accountability Office reported Tuesday.

The Iraqi government had been severely criticized for failing to spend billions of dollars of its oil revenues in 2006 to finance its own reconstruction, but last September the administration said Iraq had greatly accelerated such spending. By July 2007, the administration said, Iraq had spent some 24 percent of \$10 billion set aside for reconstruction that year.

As Gen. David H. Petraeus, the top American commander in Iraq, and Ryan C. Crocker, the American ambassador to Iraq, prepared in September to report to Congress on the state of the war, the economic figures were a rare sign of progress within Iraq's often dysfunctional government.

But in its report on Tuesday, the accountability office said official Iraqi Finance Ministry records showed that Iraq had spent only 4.4 percent of the reconstruction budget by August 2007. It also said that the rate of

spending had substantially slowed from the previous year.

What the NYT doesn't say, though, is that the GAO itself also reported on how much money Iraq had spent, in its report issued just before Petraeus' dog and pony show. In fact, the benchmark of whether Iraq was spending its money as quickly it was supposed to was one of the ones on which the GAO and the Administration disagreed. Whereas the GAO declared that Iraq had "partially met" its goal to spend \$10 billion on reconstruction, the Administration declared Iraq's progress "satisfactory." So the GAO's report is really the GAO providing evidence that its more pessimistic measures were correct.

It's in that context—the knowledge that the Administration was trying to claim full credit for something the GAO had rather generously awarded a gentleman's C—that you should read the rest of the article, describing how the Administration managed to invent rosy numbers to as declare the Iraq government was making progress.

The reason for the difference, said Joseph A. Christoff, the G.A.O.'s director of international affairs and trade, was that few official Iraqi figures for 2007 were available when General Petraeus and Mr. Crocker went to Congress.

So the administration, with the help of the Finance Ministry in Baghdad, appears to have relied on a combination of indicators, including real expenditures, ministries' suggestions of projects they intended to carry out, and contracts that were still under negotiation, Mr. Christoff said. But actual spending does not seem to have lived up to those estimates for spending on reconstruction, a budget item sometimes called capital or investment

expenditures, he added.

“So it looked like an improvement, but it wasn’t an improvement,” he said.

In other words, the Administration went to the Iraqi government, said, “we’d like to give you a passing grade on this issue, so tell us what we want to hear.” And voila! Instant propaganda, all ready and packaged to persuade the American people to dump billions more into this money sinkhole of a war.

Just another example of where the Administration ignored hard data in favor of propaganda it could use to support its war.