
Baker Takes The Whole Loaf

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Well, ho ho ho! It's an early Christmas for James Baker III.

All year the elves at his law firm, Baker Botts of Texas, have been working day and night to prevent the families of the victims of the 9/11 attack from seeking information from Saudi Arabia on the Kingdom's funding of Al Qaeda fronts.

It's tough work, but this week came the payoff when President Bush appointed Baker, the firm's senior partner, to restructure the debts of the nation of Iraq.

And who will net the big bucks under Jim Baker's plan? Answer: his client, Saudi Arabia, which claims \$30.7 billion due from Iraq plus \$12 billion in reparations from the First Gulf war.

Puppet Strings

Let's ponder what's going on here.

We are talking about something called "sovereign debt." And unless George Bush has finally 'fessed up and named himself Pasha of Iraq, he is not their sovereign. Mr. Bush has no authority to seize control of that nation's assets nor its debts.

But our President is not going to let something as trivial as international law stand in the way of a quick buck for Mr. Baker. To get around the wee issue that Bush has no legal authority to mess with Iraq's debt, the White House has crafted a neat little subterfuge. The official press release says the President has not appointed Mr. Baker. Rather Mr. Bush is "responding to a request from the Iraqi Governing Council." That is, Bush is acting on the authority of the puppet

government he imposed on Iraqis at gunpoint.

I will grant the Iraqi "government" has some knowledge of international finance; its key member, Ahmed Chalabi, is a convicted bank swindler.

The Bush team must see the other advantage in having the rump rulers of Iraq pretend to choose Mr. Baker; the U.S. Senate will not have to review or confirm the appointment. If you remember, Henry Kissinger ran away from the 9/11 commission with his consulting firm tucked between his legs after the Senate demanded he reveal his client list. In the case of Jim Baker, who will be acting as a *de facto* U.S. Treasury Secretary for international affairs, our elected Congress will have no chance to ask him who is paying his firm, nor even require him to get off conflicting payrolls.

This takes the Bush administration's Conflicts-R-Us appointments process to a new low.

Or maybe there's no conflict at all. If you see Jim Baker's new job as working not to protect a new Iraqi democracy but to protect the loot of the old theocracy of Saudi Arabia, the conflict disappears.

Iraq's debt totals something on the order of \$120 billion to \$150 billion, depending on who's counting. And who's counting is very important.

Much of the so-called debt to Saudi Arabia was given to Saddam Hussein to fight a proxy war for the Saudis against their hated foe, the Shi'ia of Iran. And as disclosed by a former Saudi diplomat, the kingdom's sheiks handed about \$7 billion

to Saddam under the table in the 1980's to build an "Islamic bomb."

Should Iraqis today and those not yet born have to be put in a debtor's prison to pay off the secret payouts to Saddam? James Wolfensohn, president of the World Bank, says 'No!' Wolfensohn has never been on my Christmas card list, but in this case he's got it right: Iraq should simply cancel \$120 billion in debt.

Normally, the World Bank is in charge of post-war debt restructuring. That's why the official name of the World Bank is "International Bank for Reconstruction and Development." This is the Bank's expertise. Bush has rushed Baker in to pre-empt the debt write-off the World Bank would certainly promote.

"I Fixed Florida"

Why is our President so concerned with the wishes of Mr. Baker's clientele? What does Bush owe Baker? Let me count the ways, beginning with the 2000 election.

Just last week Baker said, I fixed the election in Florida for George Bush. That was the substance of his remarks last week to an audience of Russian big wigs as reported to me by my somewhat astonished colleagues at BBC television.

It was Baker, as *consigliere* to the Bush family, who came up with the strategy of

maneuvering the 2000 Florida vote count into a Supreme Court packed with politicians.

Baker's claim to have fixed the election was not a confession; it was a boast. He meant to dazzle current and potential clients about his Big In with the Big Boy in the White House. Baker's firm is already a top player in the Great Game of seizing Caspian Sea oil. (An executive of Exxon-Mobil, one of Baker Botts's clients, has been charged with evading taxes on bribes paid in Kazakhstan.)

All In The Family

Over the years, Jim Baker has taken responsibility for putting bread on the Bush family table. As Senior Counsel to Carlyle, the arms-dealing investment group, Baker arranged for the firm to hire both President Bush 41 after he was booted from the White House and President Bush 43 while his daddy was still in office.

Come to think of it, maybe I'm being a bit too dismissive of the Iraqi make-believe government. After all, it's not as if George Bush were elected by voters either. It would be more accurate to say that TWO puppet governments have agreed to let the man who has always pulled the strings come out from behind the curtain, take a bow, take charge"then take the money and run.

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