

# Germany, France barred from Iraq contracts

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Reuters & AFP  
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CITING NATIONAL security reasons, US Deputy Defence Secretary Paul Wolfowitz has ruled that prime contracts to rebuild Iraq will exclude firms from nations such as France and Germany that opposed the US war.

In a policy document released on Tuesday, Wolfowitz said he was limiting competition for 26 reconstruction contracts worth up to \$18.6 billion that will be advertised in coming days. They range from equipping the new Iraqi army to rebuilding and refurbishing power and water plants, roads, oil installations and communications systems.

The decision, which was posted on a Pentagon website on Tuesday, lists 63 countries that are eligible to compete for some 26 prime contracts that cover Iraq's reconstruction needs. Conspicuously absent from the list are the nations that opposed the war and declined to send troops to join in the post-war occupation of Iraq, including France, Germany, Russia and Canada.

"It is necessary for the protection of the essential security interests of the US to limit competition for the prime contracts of these procurements to companies from the US, Iraq, coalition partners and force contributing nations," Wolfowitz said in a notice published on the website [www.rebuilding-iraq.net](http://www.rebuilding-iraq.net).

The move is likely to anger France and Germany and other traditional allies in Nato and the UN Security Council who are being blocked out of prime contracts after their opposition to the war. They may bid for sub-contracts. But the decision will pla-

## War tribunal may try Saddam in absentia

THE US will hand over key members of the former Iraqi regime to a special tribunal established on Wednesday, and Saddam Hussein could be tried in absentia, the head of the US-backed Governing Council said. Abdel Aziz al-Hakim told reporters that Iraqis who had committed crimes against humanity during wars with Iran and Kuwait could also face the tribunal. Washington hopes prosecuting Saddam's top aides will help bolster support for the Governing Council and convince Iraqis the old regime will not return.

Reuters, Baghdad

cate countries such as UK, Italy and Spain, which provided troops to Iraq but whose companies were excluded from the first round of deals that went to US firms.

The contracts cover electricity, communications, public buildings, transportation, public works and security and justice. Additional contracts are also being awarded to oversee those projects. US trade lawyer Clark McFadden questioned the administration's criterion for the contracts. "Is this going to set a precedent where national security can be used to justify limiting competition?" he asked.

Procurement specialist Prof Steven Schooner said it was "disingenuous" to use national security as an excuse and predicted an angry reaction from those nations excluded.

2003

# Schroeder party trounced

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BERLIN, FEB. 3. German voters delivered a stinging rebuke to the Chancellor, Gerhard Schroeder's Social Democratic Party on Sunday, giving the main opposition party record gains in two closely watched State elections, according to results reported early today.

The conservative Christian Democratic Party won 48 per cent of the vote in Lower Saxony, which is Mr. Schroeder's home State and the place he served as Chief Minister for eight years before he became Chancellor in 1998.

His party, on the other hand, got only 33 per cent of the vote, down from nearly 48 per cent last time.

The results of this first electoral test since the Social Democrats won the national election in September reflected the abrupt drop in popularity that the party began to suffer almost



The Christian Democratic winner of the election in Hesse, Roland Koch (left), receives flowers from Angela Merkel, chairperson of the party in Berlin on Monday. — AP

immediately after its victory four months ago. The vote showed public disenchantment

Germany  
with Mr. Schroeder's economic performance, especially his failure to arrest a rise in unemployment to the highest levels in a decade.

The results were greeted with nothing short of exultation by Opposition leaders and their supporters, who triumphantly held up posters saying, "The Red-Greens are finished."

The Social Democratic Party, or Reds, govern nationally in coalition with the leftist Green Party.

The contests in Lower Saxony and Hesse, where the Christian Democrats had 49 per cent of the vote to the Social Democrats' 29 per cent, promise to put Mr. Schroeder in a political bind. — AP

# France, Germany unite against Iraq strike

ANDREW HAMMOND

Baghdad, Jan. 22 (Reuters): European heavyweights France and Germany joined forces today to prevent any US-led war on Iraq which French President Jacques Chirac called "the worst solution".

But a Russian military source said Washington and its allies had already decided to launch a month-long military strike from mid-February with or without fresh backing from the UN Security Council, in which Russia and France hold veto powers.

"Germany and France have the same judgment on this crisis," Chirac told a news conference with German Chancellor Gerhard Schroeder marking their 40-year special relationship as the political and econom-

ic driving force of the European Union. "We agree completely to harmonise our positions as closely as possible to find a peaceful solution to the Iraq crisis," Schroeder added.

Their comments, and the reported attack plan carried by a senior military source, signalled a sharp increase in tensions surrounding the possibility of war against Iraq, accused by Washington of hiding banned weapons.

Iraq said its anti-aircraft batteries had shot down an unmanned US spy plane today after destroying a craft in December in what Gen. Richard Myers, chairman of the US joint chiefs of staff described as a "lucky shot". There was no immediate US comment on the latest spy plane claim.

US President George Bush is massing more than 150,000 troops in the oil-rich Gulf and has already made clear he is ready to use them, with or without a new mandate from the Security Council, if he considers Iraq has not disarmed.

Bush says he has seen no proof of total disarmament but is hoping UN weapons inspectors will back his view when they report back to the Security Council on Monday and insist the decision on whether to launch a strike has not yet been taken.

Interfax news agency's specialist military news wire AVN quoted an unnamed high-ranking source in the Russian general staff as saying, however, that US-led operations would be launched once an attacking force had been assembled in the Gulf.

"According to the information we have, the operation is planned for the second half of February. The decision to launch it has been taken but not yet been made public," the source told the agency, which has generally authoritative contacts in the Russian military and political establishment.

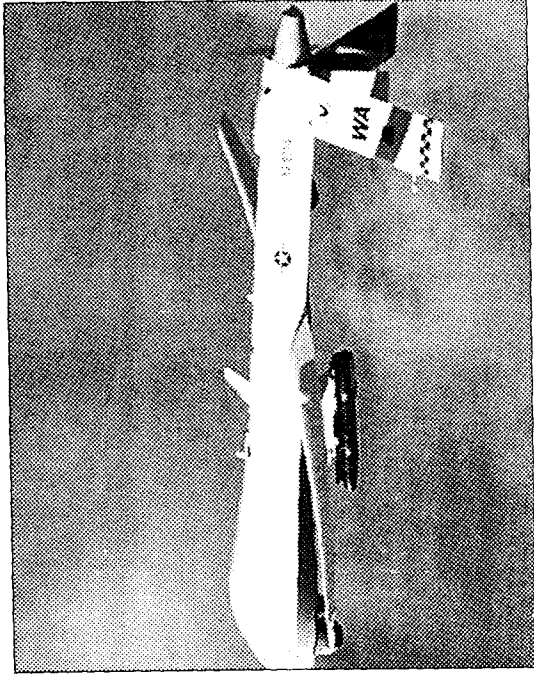
The source did not indicate how the Russian military knew of such an operation, the main aim of which he said was not so much to topple Iraqi President Saddam Hussein but to secure US control over Iraqi oilfields.

Russia has a major commercial interest in Iraqi oil and has made clear its eagerness to exploit Iraq's huge reserves once UN sanctions are lifted. A big oil producer itself, the struggling former superpower also fears a likely drop in crude prices once

Iraq's reserves are opened-up. Oil prices eased today as dealers took profits from a two-month bull run sparked by the momentum for war, while gold, seen as a safe haven, hit its highest price in nearly six years.

"The war will be short, lasting about one month," the Russian source was quoted as saying. US deputy secretary of state Richard Armitage flew to Moscow today to try to convince officials that diplomatic options were "just about exhausted".

France, which says it has yet to see a convincing case for war, has hinted strongly that it might veto a resolution authorising non-veto Security Council seat. Most of the 15 Council members have said the inspectors need more time.



A file picture of an unmanned Predator spy plane. Iraq on Wednesday claimed that its anti-aircraft guns shot down a Predator plane which was coming from Kuwait. (AFP)