As a result of the inquiry led by Paul Volcker into the United Nation’s Oil for Food Program for Iraq, the Australian Government commissioned an inquiry of its own. Terence Cole QC is investigating the involvement of the Australian Wheat Board (AWB) in alleged “kickbacks” to Saddam Hussein’s regime. As revelations from the Cole inquiry emerge (I am writing in mid-March), serious questions arise: how did Australian interests help turn the UN’s Oil for Food Program into a Wheat for Weapons scam that assisted the Iraqi leader? The inquiry’s terms of reference initially precluded the possibility of calling Government officials to give evidence, and so critics of the Government perceived a cover up. And indeed, although the inquiry is not yet complete, Government ministers have been quick to point to Cole’s early findings and draw attention to failures and even deceit within the ranks of the AWB rather than admitting to any negligence on their part.

Let us review briefly the background to this inquiry.

- In March, 2003, the Australian Government led by Prime Minister John Howard committed itself to war in order to bring down the Iraqi regime of Saddam Hussein. At the time, the Howard Government justified its joining the US-British coalition by publicly complaining about the United Nations. The UN was ineffectual, it said, and a vehicle that was incapable of preventing injustice in world affairs.

- In April, 2001, however, almost two years prior to the invasion of Iraq, the UN informed the Government that the AWB may have been acting in violation of UN sanctions. The allegations were that the Iraqi regime was benefiting, to the tune of hundreds of millions of Australian dollars, and that this had been going on since 1999. The AWB had been privatized in July 1999, but the alleged corrupt payment deal had begun prior to that, when the AWB was still a government subsidiary.
• It was in January, 2000 that the UN had first alerted the Government that AWB “trucking fees”—recently revealed to total almost $300 million—were in potential breach of UN sanctions. The Government dismissed these warnings even though the allegations suggested that the money was finding its way into the Iraqi dictator’s bank account, enabling him to buy guns, bombs, and bullets. In retrospect, it is now claimed that those weapons were used against Australian troops in the 2003 war.

It is alleged that the AWB completed the fraud by recouping the cash payments from the UN and putting itself in the position of collecting other such debts on behalf of other Australian companies. In my view this is an important fact, indicating both a high level of corporate confidence on the part of AWB about the role it was playing, and the vital importance of the service it was providing.

These are the facts, some of which are said to be damning, and in media interviews the prime minister and the foreign minister seem confident enough to allow the blame to rest with the AWB and the deceit of some of its officials. Such a response by the Government, it seems to me, skirts the problems caused by its own determined effort to justify all foreign policy decisions by appeal to the national interest. It has not attempted to justify its lack of action in response to UN concerns.

How are we to view the Australian Government’s contribution to this scandal? Prime Minister Howard says simply, “It’s not a problem!” He says he didn’t do anything wrong. Nevertheless, it is an embarrassment for the country. It is not merely an internal AWB matter or a future market problem for wheat growers. Such problems have merely been compounded by the lack of Government action when action was needed. That shame doesn’t go away just because the Cole commission has now documented some failures by AWB officials to provide proper reports. Some might wonder why such a failure to act at the top political level hasn’t led to the resignation of the Government! How do the prime minister and his ministers avoid taking their share of responsibility for what they didn’t do? After all, when the Government was initially given the UN warnings, it could hardly have expected the AWB to act on its own to change the system. Why didn’t the Government act then to ensure the good name and proper mandate of the AWB and its supply of grain for Iraqis?

First, it is important to note that whatever the truth may be with respect to alleged misconduct by the AWB, this is a Government of no shame. It places its confidence in an ability to remain unembarrassed. Its ministers are confident they can ride out any problems that come their way. The UN warnings had no impact on the Howard Government and now it maintains its unembarrassed stance in the context of Australia’s emerging international shame. It did nothing and it is not embarrassed by the fact.

I am driven to lament with Jeremiah, “No, they were not at all ashamed. Neither did they know how to blush” (Jer. 8:12).
The fact is that the Government doesn’t know how to blush in this matter, and that might portend serious political problems down the road; a government can hardly face up to complex problems that it says do not exist. But for the moment the scandal is dismissed as a beat up.

I’d have to say that there must be serious doubts as to whether the AWB payments were intended as “bribes” or sanction-busting “kickbacks” from the Australian side. Certainly the failure of the system of sanctions was not caused by the AWB’s provision of massive shiploads of wheat that needed to be unloaded and trucked from the port of Umm Qasr. Each ship meant 50,000 tons of wheat, which needed to be unloaded onto about 1700 trucks at $1500 each. But now in the aftermath of the fall of Saddam Hussein, the work of the AWB—along with Volvo, Siemens, Daimler Chrysler, and other companies that participated in the Oil for Food program—are viewed in a very poor light. This then was just another failure of the UN and its programs. Par for the course. But contrast that with the Australian Government’s seeing nothing wrong in its own lack of remedial action.

Howard’s success has been his ability to convince enough Australians that the national interest is equivalent to his prime ministership. The national interest was his justification for going to war. Talk of justice was not on the agenda then and it still remains off the agenda. The national interest was probably the justification used to approve the AWB payment schedule. The national interest is what Howard appeals to now as he shamelessly avoids disclosing what he knows. The national interest, not justice, is the basis and agenda of Australia’s foreign policy. Howard is convinced that national self-interest is the source of the nation’s political strength, just as personal self-interest is the key to the health of the Australian economy. Most Australians agree. Such a view of the national interest is shameless and the scandal doesn’t move them one little bit. They appear to believe that the real problem (the real challenge to the national interest) arose because AWB got caught. Oh well, better luck next time, and next time we should probably avoid getting involved in useless UN programs!

This case shows that the national interest should not be ignored, but it also shows that the national interest should not be paramount and that it has to be wider than mere commercial gain. For a government, the national interest should always be determined by deciding what is just. Doing justice, giving to each its due, is the paramount principle that should guide a government’s policies. It is a principle that applies in personal life, in public life, and in international relations. It is a principle that must be at the forefront of any decision to wage war. It is a principle that should also guide a government’s economic policies. And when government is notified of possible injustice, it has to act or else it becomes complicit in the injustice. When it fails to act, as it did in this case, presumably in order to preserve some specious view of the national interest, then indeed everything is turned upside-down. That is why the waging of war and the safeguarding of the ill-gotten electoral and commercial gains that resulted, have become cornerstones of the Howard Government’s idolatrous nationalism.
Yes, Australia should hang its head in shame. The Government justified its involvement in the Iraq war by sneering at the United Nations when it was in fact failing to adequately investigate claims that an Australian company was ripping off the UN. The guilt from this scandal cannot be explained solely in terms of failures within the AWB. It is something much wider, much more profound. It will not go away without Australia as a nation admitting the shame and taking another path, a path on which she seeks to rediscover her responsibility in the world by facing up to her shame, by repenting of the injustices she has helped to perpetrate, and by putting justice ahead of self-interest.

What this scandal illustrates is a serious problem of governance when national self-interest becomes paramount for government conduct in the international arena. Government’s actions or inactions have consequences for the way a nation’s businesses and corporate organizations conduct themselves, not only at home but on the international stage. The Howard Government justifies itself in terms of what it did not know and did not do, but its lack of action was based on some commitment. Apparently it thought that by ignoring the problem it was acting in the national interest. Now, having not investigated and not acted, it has been content to let the AWB carry the can. But the shame is much bigger. Ironically, the Government’s determination to appear unembarrassed confirms the shame of it.