

Bush orders seizure of assets from those threatening Iraq “stabilization efforts”

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In an extremely broad executive order issued on July 17, President Bush authorized the Treasury Department to freeze the property of anyone determined to be hindering US actions in Iraq and the stability of the US-backed regime in Baghdad. The wording is vague enough to encompass not only those resisting the occupation directly, but also US citizens involved in antiwar activity.

The executive order, issued under the headline, “Blocking Property of Certain Persons Who Threaten Stabilization Efforts in Iraq,” cites powers granted to the President under the International Emergency Economic Powers Act of 1977 (IEEPA). That act was originally intended to regulate the power of the US president to declare trade embargos on other countries. Beginning with the Clinton administration, powers under IEEPA have been expanded to include blocking financial assets of individuals targeted by the US, including “designated terrorists” and “designated terrorist organizations.”

The July 17 order is more broadly written than previous orders. It begins with the declaration that there is an “unusual and extraordinary threat to the national security and foreign policy of the United States posed by acts of violence threatening the peace and stability of Iraq and undermining efforts to promote economic reconstruction and political reform in Iraq and to provide humanitarian assistance to the Iraqi people.”

Following from this declaration, the order grants the government the authority to block “all property and interests in property” of “any person” determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Defense, “to have committed, or to pose a significant risk of committing, an act or acts of violence that have the purpose or effect of (a) threatening the peace or stability of Iraq or the Government of Iraq; or (b) undermining efforts to promote economic reconstruction and political reform in Iraq or to provide humanitarian assistance to the Iraqi people.”

The inclusion in this group of those who “pose a significant risk of committing” acts of violence is particularly significant. It is left to the government to decide who poses such a risk. What is meant by “economic reconstruction and political reform” is also ambiguous. “Economic reconstruction” is no doubt meant to include, among other things, the determination by the US to push through a law opening up Iraqi oil fields to the exploitation of US companies.

Also threatened with having their property frozen are all those who are determined “to have materially assisted, sponsored, or provided financial, material, logistical, or technical support for, or goods or services in support of, such an act or acts of violence or any person

whose property and interests in property are blocked pursuant to this order.”

In other words, it is not just those who commit or pose a risk of committing acts of violence that can have their assets frozen, but also anyone who is determined to have supported such a person in some way. This includes anyone who is found to be “owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order.”

Who might fall under this extremely broad category? “Goods or services in support of” a person accused of destabilizing Iraq could include everyone from the barber, the doctor, or the lawyer defending his client against the imposition of the order.

Moreover, the term “person” is defined to include any “entity”—that is, any “partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.” Therefore, any individual, party or organization, including an antiwar organization, that is determined either to pose a threat of carrying out an act of violence in Iraq, or is determined to be in one way or another “supporting” another individual, party or organization that poses such a threat, could have their assets blocked.

The order would also prohibit any individual under the jurisdiction of the US from donating funds to, or receiving funds from, any individual or organization that is subject to the order. Under the IEEPA statute, a person violating the order could be subject to up to 10 years in jail, and tens of thousands of dollars in fines.

There has been very little comment or media focus on the order. When probed, however, the Bush administration has insisted that it is intended to cover a narrow range of individuals in Iraq. White House Press Secretary Tony Snow said, “What this is really aimed at is insurgents and those who come across the border” of Iraq.

Picking up on this line, an AP story from July 17 said that the order is “a new tool ... aimed at putting a financial squeeze on people who run networks that recruit and send would-be terrorists into Iraq.”

This is a completely false presentation, however. First, the order is not limited to “would-be terrorists” in Iraq and surrounding countries, but applies to anyone who is determined by the US government to be working to destabilize the US-backed puppet regime and oppose the occupation.

Second, as *Washington Post* columnist Walter Pincus noted in a July 23 column, “the text of the order, if interpreted broadly, could cast a far bigger net to include not just those who commit violent acts or pose the risk of doing so in Iraq, but also third parties—such as US citizens in this country—who knowingly or unknowingly aid or encourage such people.”

Indeed, the only reference to US citizens in the order is intended to specifically deny any additional rights. It holds that for anyone “who might have a constitutional presence in the United States ... prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual,” and that therefore no prior notice is required.

The July 17 executive order is the latest in a series of orders intended to block financial assets as part of operations in Iraq. These are all based on a state of national emergency declared in Executive Order 13303 on May 22, 2003. The IEEPA can be invoked only with the

declaration of a national emergency under the National Emergency Act of 1976. The main function of order 13303, however, was to protect US contractors and oil companies working in Iraq. (See [“Bush grants permanent legal immunity to US corporations looting Iraqi oil”](#))

This order was subsequently expanded. EO 13315 (August 28, 2003) was issued to allow the Secretary of the Treasury to seize the assets of former members of the Saddam Hussein regime and their family members. EO 13364 (November 29, 2004) expanded the scope of the declared national emergency to include “the extraordinary threat to the national security and foreign policy of the United States” posed by any judicial processes against the Central Bank of Iraq.

These orders are part of a broader attempt to target anyone providing “material support” to alleged terrorists or Iraqi insurgents.

A similar executive order passed shortly after September 11, 2001 applied very broadly to anyone determined by the president to be “specially designated global terrorists” or to be supporting or “otherwise associated” with terrorist individuals or organizations. In November 2006, a federal judge in Los Angeles struck down the order in a case brought by the Humanitarian Law Association and the Center for Constitutional Rights.

The judge ruled that the order was unconstitutionally vague because it gives the president “unfettered discretion” and because someone may be “subject to designation under the President’s authority for any reason, including for ... associating with anyone listed” as a terrorist. The case is still under litigation and appeal.

A similar power is included in the “material support” statute, which dates back to 1994, but was broadened by a section of the USA Patriot Act. The law makes it a crime to provide “material support” to organizations declared to be terrorist.

Shane Kadidal, a lawyer for the Center for Constitutional Rights who represents plaintiffs challenging these provisions, told the WWS that they give the president broad discretion not only to determine what organizations and individuals are covered, but also what defines “material support.”

“A crime of association” has been created, Kadidal said, “and all these statutes are worded very broadly.” The measures can criminalize such actions as providing humanitarian goods and services.

Kadidal called attention to the section of the July 17 executive order that prohibits individuals from receiving funds from designated organizations. “Obviously this has nothing to do with cutting off resources to the group in question,” he said. “It is an attempt to block free association.”

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