

WAR PROFITEERING AND THE CORPORATE INVASION OF IRAQ

MERCHANTS OF MISERY

Today, a handful of well-connected U.S. corporations – many with scandal-ridden business records – are making billions in profits off the suffering of war, and pushing, with the aid of the U.S. military, a destructive plan of privatization.

Many of these big corporations exert undue influence in U.S. politics, making big contributions to pro-war politicians who reward them with huge military contracts. Powerful multinational businesses are also leading a corporate invasion of Iraq with aims to loot the oil, water, and other resources that belong to the people.

Some examples of the Merchants of Misery:

- **HALLIBURTON:** Since 2001, this Texas-based energy company, formerly headed by Vice President Dick Cheney, has raked in over \$600 million in non-competitive military contracts. Kellogg, Brown and Root, a Halliburton subsidiary, was awarded a no-bid contract to put out Iraqi oil fires for over \$7 billion – and almost \$500 million in company profits, and has been “given” control of Iraqi oil operations, including oil distribution – even though Halliburton is under investigation for over-stating profits by \$234 million over four years, and for dealing with countries throughout the 1990s that were supposedly hostile to U.S. ‘interests,’ including Burma, Iran, and Nigeria.

- **BECHTEL:** This privately owned company has been awarded a no-bid contract for infrastructural construction in Iraq. The contract is for \$34.6 million initially, up to \$680 million over 18 months, and could eventually be worth up to \$100 billion, thus making it potentially the largest Iraq “reconstruction” contract. Their connections to the Bush administration include \$1.3 million in campaign contributions since 1999 and a spot on the Defense Policy Board that is held by a Senior Vice-President, retired General Jack Sheehan. Bechtel has botched past projects in the U.S. and beyond. In Boston, what promised to be \$2.5 billion job for the infamous tunnel project became \$14.6 billion, costing tax-payers \$1.8 million a mile. In California, Bechtel installed a nuclear power plant reactor backwards. In Bolivia, Bechtel was part of a consortium which took control of the water supply and increased prices up to 300 percent. “Bechtel is not a company that has a sound social or environmental

track record,” said Juliette Beck of the public interest watchdog Public Citizen. “Bechtel and privatization go hand in hand.”

- **MCI:** Apparently, sometimes a name change is enough. After emerging from the largest fraud in U.S. history, MCI, formerly WorldCom, has been awarded a \$30 million contract to build a wireless network in Iraq. MCI is not even a wireless carrier and does not have experience in building this type of network. Now, three of MCI’s competitors claim that they disguised long-distance calls as local calls in order to avoid paying “origination” and “termination” fees to local carriers.

- **RESEARCH TRIANGLE INSTITUTE:** Although not established with either the Republican Party or the Bush administration, RTI’s \$167.9 million contract for improving “essential municipal services” is not harmless. RTI has a history of advancing corporate interests and pushing for privatization. RTI will likely push heavily for corporate control as opposed to public control of municipal services (including water), as they did in Eastern Europe and South Africa.

OCCUPIER’S PLANS IN IRAQ: PRIVATIZE PRIVATIZE

The (current) U.S. viceroy of Iraq, L. Paul Bremer, has stated the occupier’s intentions very clearly: Iraq is “open for business.” A major goal, he says, would be to shift Iraq away from state-dominated economy to “free markets.” Such plans fit well with Bush’s *U.S.-Middle East Free Trade Area* proposal, which calls for a market open for a regional economic zone open to Israeli and U.S. hegemony, thus demanding not only military occupation of Palestinian and Syrian lands, but also economic occupation of the region.

Contracts are pending to privatize everything from oil field technology to transportation services and telecommunications to Iraqi ministries. Dozens of Iraq’s companies could be earmarked for privatization within a year; others would be “dissolved.” To create an optimum “market place” for U.S. corporations, the U.S. occupiers plan to change Iraqi laws: changing economic laws and tax rates, and lower or eliminate customs duties on imported goods. The impact: already 1 in 5 Iraqis in Southern and Central Iraq suffer from chronic poverty (according to the UN). More poverty will ensue.

STOP WAR PROFITEERING AND LOOTING

Our country has a proud history of leaders who have stood up to the war profiteers. Senator Robert La Follette argued throughout his political life as Representative, Wisconsin governor, and Senator, that America cannot live up to its ideals so long as militarism and corporate power warp our democracy. In 1924, campaigning on an anti-war, anti-imperialist platform, La Follette earned one of out every six votes for the Presidency. During World War II, President Franklin D. Roosevelt said, "I don't want to see a single war millionaire created in the United States as a result of this world disaster." President Harry S. Truman called war profiteering "treason."

Once again, we can organize to demand that our leaders reign in the corporate interests making blood money by:

- **DEMANDING CONGRESSIONAL HEARINGS ON WAR PROFITEERING.**

In the 1920s, Senator Gerald Nye opened hearings to "investigate the activities of the munitions industry during the war." Congress should immediately open hearings on today's war profiteers, and investigate their influence into today's policies.

- **REINSTATING EXCESS PROFITS TAX:** In the Civil War, WWI, WWII, and the Korean War, progressive politicians demanded – and enacted – a tax to be placed on 'excess war profits.' Congress must take leadership again to ensure that no one profits from death and destruction.

- **STOPPING THE CORPORATE TAKE-OVER AND PRIVATIZATION:** The Bush administration has made it clear that privatizing Iraq's economy is its top priority. The wealth and resources of Iraq belong to the Iraqis – not to multinational corporations and foreign capitalists.

No real change can occur to end the corporate power, here in the U.S. or abroad, without demands from the people, without organizing. Nothing will be given without a struggle.

WHAT YOU CAN DO

Join the movement to Stop the War Profiteers!

1. Endorse our campaign. Encourage your city council, civic organization, university, labor union, etc, to pass a resolution in support of the campaign. Join the Berkeley city council, which recently passed a resolution urging Congress "to introduce legislation calling for a high percentage

tax on all excess profits on every contract dealing with U.S. military action in Iraq and/or the 'rebuilding' of Iraq, including renegotiation of all such contracts."

2. Demand your congressional representatives call for hearings on war profiteering and conflict of interest.
3. Organize education and mobilization events in your city to explain that Iraq is not being reconstructed. Iraq is being looted by corporations and sold to the rich. Tell us of your work and unite forces in organizing.
4. Support the War Profiteers Campaign – make a donation to the Southern Peace Research and Education Center.

SOME ENDORSERS OF THE CAMPAIGN*

Individuals:

- Noam Chomsky, author of 30+ books on U.S. politics
 - Medea Benjamin, director, Global Exchange
 - Bill Fletcher, Jr., President, TransAfrica Forum*
 - Stan Goff, US Army Special Forces (Retired); Coordinating committee, 'Bring Them Home Now!'
 - Jim Hightower, best-selling author
 - Howard Zinn, author, People's History of the U.S.
- * *Organizations listed for affiliation purposes only*

Organizations:

Arab Women's Solidarity Association
Black Workers for Justice
Esperanza Center for Peace and Justice
Global Exchange
Peace Action
Veterans for Peace
United for Peace & Justice

**For a full list of endorsers, please refer to
www.southernstudies.org/reports/endorsers.htm*

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