

We foot the billing, Corporations make a killing

Whether you agree with the war or not, it's clear that military conflict means sacrifice for many Americans. Virtually everyone agrees that the war in Iraq will be expensive. Yet, instead of girding up to pay for a war, President Bush is pushing tax cuts for the rich. If he succeeds, it will result in higher deficits, increased tax burdens for the poor and middle class, and cutbacks in health care, education, and other essential services. Already, poor and middle-class taxpayers are shouldering more and more of the burden while corporations and wealthy taxpayers are making more and paying less through crafty tax evasion, including the use of offshore tax havens, and favorable tax cuts.

Despite the economic sacrifice that most of us are being required to make, for a few key industries whose interests are tied to the war, military conflict could prove quite lucrative. For them, hefty profits will flow from the high-tech approach to war and the necessary post-war rebuilding.

Rebuilding contracts

- The American Academy of Arts & Sciences puts rebuilding costs at between \$30 billion and \$105 billion. The Bush administration is so far only allowing US companies to do the rebuilding work.
- A select group of Washington insiders – Bechtel Group Inc., Fluor Corp., Louis Berger Group Inc., Parsons Corp., and Halliburton subsidiary Kellogg Brown and Root (KBR) – were invited to bid on a \$900 million US AID rebuilding contract, likely the first of many.
- KBR is already on the ground in the Gulf, putting out oil well fires – a no-bid contract worth potentially tens of millions of dollars that the Washington Post reports was awarded under a special Bush administration waiver.



Private military services

- As the U.S. military becomes increasingly privatized, private military companies (PMCs) like Dyncorp Inc., Military Professional Resources Inc. (MPRI) and Halliburton subsidiary Kellogg, Brown and Root are picking up lucrative contracts to provide all kinds of military and security services while adding another level of secrecy to the armed services.
- There is one private contractor for every ten military personnel in the Persian Gulf, according to the Washington Post
- The Defense Department has entered into 3,601 contracts worth \$300 billion with 12 U.S.-based PMCs, according to the Center for Public Integrity.



Weapons manufacturers

- Military contractors continue to profit from over-priced weapons systems — some of which even leaders at the Defense Department have opposed.
- Lockheed Martin scored \$17 billion in defense contracts for 2002, up from \$14.7 billion in 2001. Boeing Co. got \$16.6 billion, up from \$13.3 billion; Northrup Grumman jumped from \$5.2 billion to \$8.7 billion in defense contracts.
- Lockheed Martin VP Bruce Jackson was a finance chair of the Bush for President campaign. Lynne Cheney is a former Lockheed board member. Secretary of the Air Force James Roche is a former Northrop Grumman VP. All told, Defense corporations donated \$13.69 million in the most recent election cycle.



Oil production

- Iraq possesses 11% of the world's proven oil reserves.
- U.S. oil companies have been banned from those lucrative oil fields for more than a decade while French, Russian, and Chinese oil companies all have contracts to pump oil.
- A total of 41 officials in the Bush administration have ties to the oil industry.
- The Wall Street Journal reported on January 16 that White House officials have been meeting informally with executives from Halliburton, Schlumberger, ExxonMobil, ChevronTexaco and ConocoPhillips to plan the post-war oil bonanza.



What do we want?

1. Money for families, not weapons and wars; 2. Let the UN handle rebuilding contracts, not Halliburton and other Administration cronies; and 3. Where the U.S. does handle rebuilding, contractor responsibility standards should apply — no contracts for companies that evade taxes, cook the books, or do business with brutal dictators.