

Now that the nation of Iraq has been 'liberated' by the United States, focus in the main-stream media has been on the process of reconstructing Iraq's infrastructure and economy.

But the liberated Iraqis have not had any say in how their country will be rebuilt, a process which is rapidly siphoning off billions in Iraqi resources for US corporate profits. Growing numbers in US labor unions are beginning to make the connection between the Bush Administration's anti-labor agenda at home – cutting occupational safety and health, depriving 170,000 federal employees of their union rights, intervening against the Longshoremen on the West Coast – and the US agenda of corporate profiteering abroad.

THE OIL

On Friday, May 9, the United States introduced a resolution into the United Nation Security Council calling for the end of all non-military economic sanctions against Iraq. Although ending sanctions will theoretically begin to lessen the hardship experienced by the Iraqi people, the poorest Iraqis may actually become poorer without government-sponsored rations. And the 'new Iraq' being constructed is already heading in the direction of the 'market reforms' that have drastically lowered wages and working conditions in other parts of the world.

The resolution would also allow the United States to restart Iraqi oil production and to place the proceeds in an Iraqi Assistance Fund to be held at the Central Bank of Iraq (recently placed under the management of Peter McPherson, a former Bank of America executive). The United States and its military allies would have sole power to spend this money as they see fit on relief, reconstruction, and disarmament.

The reconstruction of Iraqi infrastructure is expected to have a long-term price tag of some \$100 billion. The awarding of private contracts is being facilitated by the US Agency for International Development (USAID). USAID has decided to limit awarding of contracts solely to American companies. Furthermore, USAID is an organization whose explicit purpose is to promote 'market liberalization'—i.e., low wages, loose regulation of work environment safety standards, and minimal taxation on multinational corporations.

Passing of this resolution will allow USAID to disburse Iraqi oil funds rather than USAID funds to American corporations. This is highly irregular, since USAID has historically been authorized only to disburse United States monies.

Since no Iraqi and few international corporations have been invited to participate in the reconstruction phase, this means that Iraqi resources will be channeled out of the country without Iraqi oversight or input. It is also unclear whether Iraqi labor will benefit from these contracts, since there is no requirement in the contracts for the use of local labor or expertise.

THE COMPANIES

Six US companies have been invited to participate in the initial phase of reconstruction to the tune of \$ 900 million. The companies – Bechtel Group Inc., Fluor Corp., Halliburton Co. subsidiary Kellogg, Brown & Root, Louis Berger Group Inc., Parsons Corp. and Washington Group International Inc. – together made some \$ 3 billion in combined campaign contributions between 1999 and 2002, with 66% going to GOP candidates.

Bechtel is the biggest winner in the group, having received a contract for up to \$ 680 million over 18 months. Bechtel has close ties to the US government, with former Secretary of State George Schultz currently serving on its board of directors. The company has been implicated in numerous human rights, environmental, and labor abuses including: (1) A water privatization scheme in Bolivia which tried to raise water rates 200%, forcing many poor citizens to choose between buying water or food (2) The operation and management of the Nevada Test Site (3) Involvement in political coups in Syria, Iran and, most recently, Indonesia, where the progressive and democratic President Sukarno was overthrown in favor of the brutal and bloody dictator Suharto, who butchered many tens of thousand of people in East Timor and elsewhere (4) The operation of the notorious Grasberg gold mine in West Papua, one of the world's greatest industrial environmental disasters.

Other winners include Kellogg, Brown, & Root, a Halliburton subsidiary, which received an open-ended contract for management of oil-field emergencies. Strikingly, this contract was awarded without bidding. Not surprising is the fact that Vice President Dick Cheney served as CEO of Halliburton immediately before his entry into office; nor is it surprising that he continues to receive 'delayed retirement' payments from Halliburton of between \$ 100,000 and \$ 1 million each year. Halliburton has been accused of basing many operations in countries with dubious human rights records. KBR was responsible for building the illegal detention camp at Guantanamo Bay, Cuba. Halliburton is also currently subject to a SEC probe for alleged dodgy accounting practices (think Enron).

Smaller US companies that have also been awarded contracts include the security firm Dyncorp, which has been awarded a multi-