Technocracy Inc.

June 2007 TRENDEVENTS

On Calling B/S, by Dan Froomkin — Nieman Watchdog, December 1, 2006

What is it about Jon Stewart and Stephen Colbert that makes them so refreshing and attractive to a wide variety of viewers (including those so important younger ones)? I would argue that, more than anything else, it is that they enthusiastically call bullshit. Calling bullshit, of course, used to be central to journalism as well as to comedy and we happen to be in a period in our history in which the substance in question is running particularly deep… I'm not sure why calling bullshit has gone out of vogue in so many newsrooms why, in fact, its so often consciously avoided. There are lots of possible reasons. There's the increased corporate stultification of our industry to the point where rocking the boat is seen as threatening rather than invigorating. There's the fear of being labeled partisan if ones bullshit-calling isn't meted out in precisely equal increments along the political spectrum. (Even though Dan does make reference to the massive bullshit dished out by the Republican "Big Lie of the day machine," endlessly repeated by all corporate media, Republican lackeys, incl. Joe Lieberman and Presidential "mouth" Tony (Snow-Job). To insure that our young men should continue to be targets this un-win-able war of unlimited duration. Why? Why, to capture oil resources where they originate by keeping "in Harm's Way" young men lied into uniform? War is and always has been extremely profitable for the political and corporate enablers and un-audited War profits have been extremely generous as has privatization.)

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"Privatization" — 'Corporate 'Battle Cry'

EIR - March 6, 2007 — **Privatization Policy behind Walter Reed Scandal.**

The House National Security Subcommittee, Chaired by Rep. John Tierney (D-Mass.), has uncovered evidence that the Bush Administration's drive to privatize government jobs (is) a factor in the scandalous treatment of wounded soldier outpatients at Walter Reed Army Hospital. The subcommittee posted a memorandum, apparently written in September 2006, warning of an exodus of "highly skilled and experienced personnel" brought on by the Army's decision to privatize support services at the hospital complex. As a result, the memo warned, "WRAMC [Walter Reed Army Medical Center} Game Operations and patient care services are at risk of mission failure.

Even worse, the firm that was awarded the $120 million contract (after successfully protesting a finding that Army employees could do a better job at less cost) is IAP Worldwide Services: IAP, one of the companies cited for problems during Hurricane Katrina recovery operations, is headed bay Al Neffgen, a former senior Halliburton official who testified to the House Government Reform Committee in July 2004 in defense of Halliburton's exurbanite overcharging for gasoline shipments into Iraq. IAP took over facilities management at Walter Reed on Feb. 3, 2007, with 50 people to do the work that was being performed by more than 300 people at the time the contract was awarded one year earlier.

There's even an Al Gore connection to this mess. The Process under which the Federal Jobs at Walter Reed were completed was begun in the mid-1990s as part of Gore's "Reinventing Government" school**.**

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Letters to the Editor — It's lonely at the bottom of the economic heap). I guess someone at the local paper likes me, although "starkers" is a new one on me. (Steve D.)

Dear Mr. Doll,

Please be advised that you are driving me starkers! I love this letter! But I'm trying to run your weapons-and-widgets letter, which I also love, this coming Sunday, and the rule in this office is only one letter per writer per month. The only way I can even think about using this letter is by holding it for a month from the Sunday paper.

Regards, Katherine Keegan —June 12, 2007

Mr. Doll's letter follows:

"Dear Editor,

Lest anyone be lulled into economic euphoria by the recent upsurge in stock values, let's take a sobering stroll into reality, courtesy of the web site Factbook sponsored by that most esteemed of American institutions, the Central Intelligence Agency, which offers us a table on who of 163 nations is where on the financial balance sheet (2006 estimates).

"On top of the black ink side of the heap we have that nation that provides most of our manufactured goods (and which is now consuming 32 million of acres of irreplaceable virgin forest annually to meet demand for wood products, largely from us), China, on the plus side at $179.1 billion. Running a close second is Japan, at $174.4 billion. Rounding out the top five we have Germany, Russia (hey, I thought the Cold War and the breakup of the Soviet Union put them out of action), and — no surprise here — Saudi Arabia.

"Even impoverished Bangladesh, whose per capita energy consumption equals one-half of one percent of the U.S., is in the plus column, albeit at a modest $339 million.

"Now let's move to the dismal side of the chart. Which nation is most submerged in a sea of red ink?

"Hint: It's the nation that spends more on military hardware and has more foreign bases than every other industrial nation combined, yet whose troops continue to be mired in a dead-end war against homemade IEDs and suicide bombers. It's the nation that spends more per capita on health care yet ranks 36th in infant mortality (humble Cuba ranks 34th). It's the nation whose students continually score dead last in science and math against every other industrial nation.

"It's also the nation that is currently outsourcing over $400 billion per year in government contracts to private corporations (even the Homeland Security Department has on its website a corporate grab bag in its "Open for Business" section, offering lucrative opportunities to those so patriotically inclined as to rush to keep the country safe at a profit). This includes over 100,000 mercenary troops in Iraq, and over half of these contracts are not open to competitive bidding — the bulk of them awarded to heavy contributors to Republican candidates. There are now more people in the private sector working on government contracts, with little oversight, than are actually employed by the government, which is subject to constant scrutiny.

"Cut big government? Sure, and turn it over to corporate enterprise. I believe it was Mussolini who defined fascism as the merger of corporations and government (he called it corporatism).

"The biggest loser? You guessed it. This is the nation co-led by a multimillionaire (getting more so by the day thanks to his connections with certain aforementioned contractors) who blithely observed that deficits are meaningless. Yep, it's the good old land of the free, which stands at the dead bottom of the pile at a whopping minus $862.3 billion and still sinking.

"Conclusion: Our nation and people are slowly being bled to death by corporate greed and government corruption, the vast profit takings of which account for the abysmal financial state of the country — and that deficit that is so meaningless? It is costing the vast majority of us more and more, everyday and in every way.

Sincerely, Stephen L. Doll, Ormond Beach, Florida"

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Earth Audit, By David Cohen, May 26, 2007 — www.newscientist.com

I GET excited every time I see a street cleaner," says Hazel Prichard. It's what they collect in their sacks that gets her juices flowing, because the grime and litter they sweep up off the streets is laced with trace of platinum, one of the world's rarest and most expensive metals. The catalytic converters that keep exhaust pollutants from cars, trucks, and buses down to an acceptable level all use platinum, and over the years it is slowly but steadily lost through these vehicles' exhaust pipes. Prichard, a geologist at the University of Cardiff in the UK, reckons that tonnes of the stuff is being sprayed out onto the world's streets and highways every year, and she is hunting for places where it is concentrated enough to be worth recovering. One of her prime targets is the waste containers in road sweeping machines.

This could prove lucrative, but Prichard is motivated by something far more significant than the chance of a quick buck. Platinum is a vital component not only of catalytic converters but also of fuel cells and supplies are running out. It has been estimated that if all the 500 million vehicles in use today were re-equipped with fuel cells, operating losses would mean that all the world's sources of platinum would be exhausted within 15 years. Unlike with oil or diamonds, there is no synthetic alternative: platinum is a chemical element, and once we have used it all there is no way on earth of getting any more. What price then pollution-free cities?

It's not just the world's platinum that is being used up at an alarming rate. The same goes for many other rare metals such as indium, which is being consumed in unprecedented quantities for making LCDs for flat-screen TVs, and the tantalum needed to make compact electronic devices like cell phones. How long will global reserves of uranium last in a new nuclear age? Even reserves of such commonplace elements as zinc, copper, nickel, and the phosphorus used in fertiliser will run out in the not-too-distant future. So, just what proportion of these materials have we used up so far, and how much is there left to go round?

Perhaps surprisingly, given how much we rely on these elements, we can't be sure. For a start, the annual global consumption of most precious metals is not known with any certainty. Estimating the extractable reserves of many metals is also difficult. For rare metals such as indium and gallium, these figures are kept a closely guarded secret by mining companies. Governments and academics are only just starting to realise that there could be a problem looming, so studies of the issue are few and far between.

Armin Reller, a materials chemist at the University of Augsburg in Germany, and his colleagues are among the few groups who have been investigating the problem. He estimates that we have, at best, 10 years before we run out of indium. Its impending scarcity could already be reflected in its price: in January 2003 the metal sold for around $60 per kilogram; by August 2006 the price had shot up to over $1,000 per kilogram.

Uncertainties like this pose far-reaching questions. In particular, they call into doubt dreams that the planet might one day provide all its citizens with the sort of lifestyle now enjoyed in the West. A handful of geologists around the world have calculated the costs of new technologies in terms of the materials they use and the implications of their spreading to the developing world. All agree that the planet's booming population and rising standards of living are set to put unprecedented demands on the materials that only Earth itself can provide. Limitations on how much of these materials is available could even mean that some technologies are not worth pursuing long term.

Take the metal gallium, which along with indium is used to make indium gallium arsenide. This is the semiconducting material at the heart of a new generation of solar cells that promise to be up to twice as efficient as conventional designs. Reserves of both metals are disputed, but in a recent report René Kleijn, a chemist at Leiden University in the Netherlands, concludes that current reserves "would not allow a substantial contribution of these cells" to the future supply of solar electricity. He estimates gallium and indium will probably contribute to less than 1 per cent of all future solar cells — a limitation imposed purely by a lack of raw material.

To get a feel for the scale of the problem, we have turned to data from the US Geological Survey's annual reports and UN statistics on global population. This has allowed us to estimate the effect that increases in living standards will have on the time it will take for key minerals to run out (see Graphs). How many years, for instance, would these minerals last if every human on the planet were to consume them at just half the rate of an average US resident today?

The calculations are crude — they don't take into account any increase in demand due to new technologies, and also assume that current production equals consumption. Yet, even based on these assumptions, they point to some alarming conclusions. Without more recycling, antimony, which is used to make flame retardant materials, will run out in 15 years, silver in 10, and indium in under five. In a more sophisticated analysis, Reller has included the effects of new technologies, and projects how many years we have left for some key metals. He estimates that zinc could be used up by 2037, both indium and hafnium — which is increasingly important in computer chips — could be gone by 2017, and terbium — used to make the green phosphors in fluorescent light bulbs — could run out before 2012. It all puts our present rate of consumption into frightening perspective (see Diagram – ***Unavailable for Trendevents: On Line Access Only***).

Our hunger for metals and minerals may not grow indefinitely, however. When Tom Graedel and colleagues at Yale University looked at figures for the consumption of iron — one of our planet's most plentiful metals — they found that per capita consumption in the US leveled off around 1980. "This suggests there might be only so many iron bridges, buildings, and cars a member of a technologically-advanced society needs," Graedel says. He is now studying whether this plateau is a universal phenomenon, in which case it might be possible to predict the future iron requirements of developing nations. Whether consumption of other metals is also set to plateau seems more questionable. Demand for copper, the only other metal Graedel has studied, shows no sign of leveling off, and based on 2006 figures for per capita consumption, he calculates that by 2100 global demand for copper will outstrip the amount extractable from the ground.

So what can be done? Reller is unequivocal: "We need to minimise waste, find substitutes where possible, and recycle the rest." Prichard, working with Lynne Macaskie at the University of Birmingham in the UK, has found that platinum makes up as much as 1.5 parts per million of roadside dust. They are now seeking out the largest of these urban platinum deposits, and Macaskie is developing a bacterial process that will efficiently extract the platinum from the dust.

Other metals could be obtained in equally unorthodox places. Cities are huge stores of metals that could be re-purposed, Kleijn points out. Replacing copper water pipes with plastic, say, would free up large quantities of copper for other uses. Tailings from worked-out mines contain small amounts of minerals that may become economic to extract. Some metals could be taken from seawater. "It's all a matter of energy cost," he says. "You could go to the moon to mine precious materials. The question is: could you afford it?"

These may sound like drastic solutions, but as Graedel points out in a paper published last year (*Proceedings of the National Academy of Sciences*, vol 103, p 1209), "Virgin stocks of several metals appear inadequate to sustain the modern 'developed world' quality of life for all of Earth's people under contemporary technology," and when resources run short, conflict is often not far behind. It is widely acknowledged that one of the key motives for civil war in the Democratic Republic of the Congo between 1998 and 2002 was the riches to be had from the country's mineral resources, including tantalum mines — the biggest in Africa. The war coincided with a surge in the price of the metal caused by the increasing popularity of mobile phones (*New Scientist*, 7 April 2001, p 46).

Similar tensions over supplies of other rare metals are not hard to imagine. The Chinese government is supplementing its natural deposits of rare metals by investing in mineral mines in Africa and buying up high-tech scrap to extract metals that are key to its developing industries. The US now imports over 90 per cent of its so-called "rare earth" metals from China, according to the US Geological Survey. If China decided to cut off the supply, that would create a big risk of conflict, says Reller.

"The US imports 90 per cent of its 'rare earth' metals from China"

Reller and Graedel say urgent action is required. Firstly, we need accurate estimates of global reserves and precise figures for consumption. Then we need to set up an accelerated programme to recycle, reuse, and, where possible, replace rare elements with more abundant ones. Without all this, any dream of a more equitable future for humanity will come to nothing.

Governments seem, at last, to be taking the issue seriously, and next month an OECD working group will be convened to come up with some of the answers. If that goes according to plan, soon we will at least have a clearer idea of the problem. Whether any solution to looming global shortages can then be found remains to be seen.

From issue 2605 of *New Scientist* magazine, 23 May 2007, page 34-41

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The Hightower LOWDOWN**, by Jim Hightower** — June 2007

***There may be as many rent-a-troops in Iraq as U.S military* — The Bushites have outsourced our government to their pals**

The sprawling $43 billion Homeland Security Department (HSD) is known chiefly for being the agency in charge of America’s color-coded terrorist-threat alarm system — (“Good morning, Americans, Today is Yellow. Be vigilant. Report all suspicious people.”)

It’s boogeyman nonsense, of course, doing absolutely nothing to make our country safe, but such folderol helps those in charge obscure HSD’s real mission: to serve as a giant federal cookie jar for corporate America.

Go to HSD’s website, and you’ll find a prominent section called “Open For Business.” There, on any given day, corporate shoppers can scroll through the hundreds of contracts and grants available to them. Just dip in and grab some cookies, each one worth from $50,000 to more than $80 million. Like the department’s color codes, the vast majority of these projects do nothing to make our country safe. Instead, they are make-work studies, silly technologies, and useless systems that essentially serve as mediums for transferring billions of our tax dollars to a few corporate big shots.

Ever helpful to its clients, HSD also maintains a private-sector office, headed by an assistant secretary who is not a security expert but a former banker from JP Morgan Chase. This office provides concierge service for cookie grabbers. For example, it recently held a corporate seminar, entitled, “The Business of Homeland Security,” offering “tips, hints, and directions” on how to grab the latest contracts and grants. Lest you think that patriotism or even national security might be the motivating force behind these government-industry confabs, a Sikorsky Helicopters executive who attended the session bluntly explained why he was there: “To us contractors, money is always a good thing.”

Government by corporation

A monumental shift has quietly and quickly been taking place in the way the public’s business is done — and We the People have not even been informed about it, much less been asked to discuss and okay it. Corporations are taking over our government. No longer is it just a matter of big business’s lobbyists and campaign donations perverting public policy. Now, politically connected corporations are also seizing day-to-day governmental operations for their own profit.

Since the Carter years, Washington has drifted toward more and more outsourcing of public functions to private contractors, but Bush Incorporated has turned that gradual increase into a full-blown, jet-powered rush to privatization. The shadowy and highly lucrative world of government contracting has boomed under George W., rising 86% since he’s been in office and now totaling nearly $400 billion a years. Get this: **There are now more people doing federal jobs under corporate contracts than there are people employed directly by the government.** In other words, in today’s government, corporate servants outnumber civil servants.

Bush likes to claim that he has cut the federal bureaucracy. In fact, he's increased it, but most of the people working in his government wear corporate logos. The *New York Times* recently reported that contract employees are in practically every agency, not merely doing perfunctory chores, but sitting in on policy sessions and drawing up agency budgets. "Even government's online database for tracking contracts, the Federal Procurement Data System, has been outsourced," says the *Times*.

This phenomenal change is the product not of managerial rationality but of nonsensical anti-government ideology. Like the Iraq invasion, which was on the international agenda of the rabid neocons from Day One of Bush's tenure, privatization has long been on the domestic agenda of the laissez-faire ideologues. A January 10, 2001, report from the right-wing Heritage Foundation provided the roadmap. Titled, "Taking Charge of Federal Personnel," it showed the Bushites how to storm into office and seize control of every agency. It stressed that they "must make appointment decisions based on *loyalty* first and *expertise* second," that "the whole governmental apparatus must be managed from this perspective," and that they should use "contracting out as a management strategy." The official rationale for this privatization surge is that corporations are inherently more efficient than government and save the taxpayer oodles of money. Nice theory, but they aren't…and they haven't.

Start with this ideological assertion's most obvious flaw: By their very nature, corporations are loyal to their own bottom line, not to the country or to the country or to the common good. Any "efficiency" that they produce is derived from paying workers less (hardly a morale booster) and by taking shortcuts on the services or products they deliver. These "savings" are more than eaten up by the high profits, extravagant executive salaries, and other compensation that corporations demand — costs that are not incurred when government does the job.

Another flaw in this privatization push is that Bush & Company are unabashedly running it as a crony program. An analysis by the *Times* found that ***more than half*** of their outsourcing contracts *are not open to competition*. In essence, the Bushites choose the company and award the money without getting other bids. Prior to Bush, only 21% of federal contracts were awarded on a no-bid basis.

Also, if privatization is so good, why is there no ongoing analysis of the costs and quality of service being delivered? This is an administration that demands a cost-benefit analysis of even the smallest government regulation of business, yet it is throwing trillions of our tax dollars into the coffers of corporate contractors without monitoring whether the outsourcing is costing us more and producing less than if the work were done by government employees.

Meanwhile, as the number of contracts has skyrocketed, the number of contract supervisors in federal agencies has remained the same, which means that the supposed overseers can't keep an eye on the performance of the profiteers. Whenever agencies or members of Congress do try to probe, **the corporations simply claim that their financial and performance records are proprietary.** While agencies are accountable to the public and subject to the Freedom of information Act, corporate contractors are not.

Even when it's known in advance that a privatization project will be a rip-off, ideology has trumped integrity. Last fall, for example, Congress rubber-stamped a Bush initiative requiring the IRS to outsource the collection of certain taxes to three private debt collectors. The collection agencies will pocket about 24 cents of every dollar they recover, but if the IRS were simply allowed to hire more revenue agents, it could collect these same debts for only 3 cents of every dollar brought in. Over 10 years, the three companies expect to reap $330 million from this deal.

A corporatized war

As we've learned during the last four-plus years, George W's Iraq war is run by a bumbling triumvirate composed of the White House, the Pentagon, and the Department of Halliburton.

This massive military contractor has done awfully well the past few years, thanks to its old CEO, "Buckshot" Cheney. Since the Bush/Cheney regime took office, Halliburton's government contracts have increased by a stunning 600%, including more than $10 billion in Pentagon contracts — many of them awarded without the fuss and muss of competitive bidding.

In return, Halliburton has delivered gas price gouging, contaminated food and water, and a consistent pattern of overcharges. It has been caught hiring Third World laborers to do its grunt work in Iraq, paying them as little as $5 a day, then billing Uncle Sam more than $50 a day for each worker. In a February analysis of $10 billion in waste and overcharges by various contractors in Iraq, federal investigators found Halliburton responsible for $2.7 billion.

The corporation's 2006 profits were $2,348,000,000, and its overall profits have increased over 368% since the Bushites have been in office. Meanwhile, Halliburton has now outsourced itself, announcing this year that its top executives will move from Houston to palatial new corporate headquarters in Dubai. But don't worry — the executives are keeping enough of a corporate presence in the good ol' USA to qualify for more government contracts… People see Halliburton as the face of the privatized war in Iraq, but that's hardly the whole story. Indeed, there's a dirty little fact that Washington's warmongers don't tout: **Bush has put almost as many private contractors in the Iraq war as U.S. troops.**

Prior to Bush's "surge," there were about 140,000 American troops in Iraq and about 100,000 contract employees there. Contrast this to only 9,200 privatized troops sent to the Gulf War by George's daddy in 1991, and the 100,000 number doesn't count subcontractors, which would add an estimated 20,000 to 40,000 more private troops (no one knows for sure, since the Pentagon doesn't keep track of them). In addition, while the surge will put another 22,000 military troops in Iraq, it will also increase the private forces by an untold number.

Outfits like Halliburton, DynCorp, Blackwater, L-3, Titan, Custer Battles, Triple Canopy, and Wackenhut are reaping billions of our tax dollars doing military work that the Bush-Cheney Pentagon has outsourced. Not coincidentally, nearly all of these corporations are big-dollar donors to Republicans and/or are run by executives with tight GOP ties.

In part, corporate Iraq assignments provide support services — laundry, meals, delivery of water and gasoline, etc., but a huge part of the military function itself has been privatized in this war — such things as interrogating prisoners (including in the infamous Abu Ghraib prison), training the Iraqi army, guarding the Green Zone and the Baghdad airport, protecting military convoys, analyzing intelligence, and providing paramilitary security forces.

The personnel performing these tasks are not soldiers but hired hands, most of whom lack the training needed to make proper combat judgments, and they operate independently of the military command. "They shoot people, and someone else has to deal with the aftermath," says a frustrated U.S. officer.

They also get shot, bombed, maimed, and killed. Yet the Bushites, wanting to downplay the negatives, don't count such people in casualty reports. The official number of 3,400 troops killed in Iraq doesn't include any from Bush's contract army. How many of them have died? No one knows the real number, but the Labor Department, which tracks workers compensation claims, has silently recorded 917 contractor deaths. More than 12,000 have been wounded in battle or on the job. These casualties are a hidden toll of this awful war, another measure of its deceit and immorality.

Contractors galore

Washington is under assault by hordes of corporations that are eagerly dicing up our government into digestible segments and then consuming them through either contracts or outright privatization. Here are some examples:

WALL STREET BANKING conglomerates leer lasciviously at our Social Security Fund, eager to grab the hundreds of billions of dollars in fees they could assess for "managing" our accounts in a privatized system.

BUSH HAS REDUCED FEMA, a once-proud and strong government responder to natural disasters, to a haven for political hacks hurling billions of dollars in no-bid contracts to Halliburton and its ilk for the rescue and rehab of New Orleans — only to see the money disappear and the wreckage remain.

WHEN THE PENTAGON DECREED a few years ago that the esteemed Walter Reed Army Medical Center was to be substantially privatized, the treatment of wounded vets quickly deteriorated to scandalous levels. The politically-connected IAP Worldwide Services company — run by two former Halliburton executives and boasting of having Dan Quayle on its board — was handed a $120 million contract to manage the place (even though IAP had previously botched the delivery of ice to the Gulf Coast after Hurricane Katrina — a job that it was contracted to do by FEMA.

THE CURRENT COLLEGE-LOAN scandal is not merely a matter of some financial aid offices at universities taking gifts, consulting fees, and stock from big private lenders. Rather, the entire system is scandalous — it's an artificial, privatized lending structure that adds nothing of value to students but greatly increases the cost and complexity of getting student loans that could be made cheaply, simply, honestly, and directly by the Department of Education

FED-EX, UPS, and the giant corporate mailers are trying to privatize the U.S. Postal Service piece by piece by deregulating the entire postal market, outsourcing the most lucrative postal functions, and abandoning America's principle of universal service for everyone.

Lurita's lurid tale

Lurita Doan, who ran a federal contracting company in Virginia and who has been a six-figure donor to Bush and the GOP, was chosen by George W. last year to head the General Services Administration (GSA). This agency doles out some $56 billion annually in federal contracts and is in charge of policing the contractors. At her confirmation hearing, Doan said she wanted to prove she can run a federal agency like a business — and she has. She's run GSA like Enron.

Just two months after taking office, Doan made a robust attempt to hand a $20,000 no-bid contract to a friend and former business associate, even going so far as to sign the deal personally. Ultimately, GSA's general counsel had to step in and nix this obvious conflict of interest gaffe.

But Doan kept playing loose with the people's money. Last year, when a technology contract with Sun Microsystems was up for renewal, two TSA contract officers rejected it on the grounds that the corporation was overcharging taxpayers. Doan personally intervened, suggesting that one of the officers was "stressed." She brought in another officer, who promptly approved the renewal — and got a long-coveted transfer to GSA's Denver office.

Then Doan got paranoid, apparently feeling that the agency's independent inspector general (IG) was foiling her enthusiastic efforts to "streamline" the contract-awarding process and to loosen up audits on corporations getting contracts. She chided the IG and, according to notes taken in a staff meeting, compared him and his staff to terrorists! Doan has now proposed cutting $5 million from the IG's audit budget, which is used to detect corporate fraud and waste, and shifting some of his duties to — are you ready for this? — private contractors.

Coalition of greed

Why is this happening? Paul Light, a New York University professor and expert on public service, points to a coalition of the greedy fueling the growth of what he calls "the hidden workforce of contractors." The contractors, of course, love privatization. Many corporations have been formed (often by former officials in the military or government) just to sup at the federal trough and many subsist wholly on government contracts. Pentagon contractors have grown especially fat on our tax dollars, with the largest, Lockheed-Martin, now receiving more federal funds than the Department of Justice.

At the same time, a huge lobbying force has been built to keep the cash flowing. Each corporation has its own lobbyists, and the contracting industry as a whole has an additional lobbying group, the Professional Services Council, which pushes for still more corporatization of government.

Then there are the politicos in both parties who are eager to show that they are reining in big government. They shove public tasks into corporate hands in order to create what Light calls "the illusion that [government] is smaller than it actually is." And, of course, there are the political ideologues who push privatization simply as a matter of faith and political correctness, even though there's no evidence that it is cheaper — much less better.

It's on this last point that corporatization ultimately founders. For contractors, the concept of "better" applies strictly to their bottom lines — not to the country. They are out to get theirs, no matter what happens to the rest of us. This is why they've kept the size and scope of the corporate takeover hidden from us. It's also why there's no accountability, no public scrutiny, no analysis of public benefits built into the privatization push—the contractors know that corporatization is not better for America.

Our government is not meant to be a marketplace. It is intended as a democratic forum where the needs and aspirations of ALL the people are addressed. The corporations' grab-all-you-can, survival-of-the-fattest ethos is about serving their interest, not the public's. This is why We the People must expose, challenge, stop, and *reverse* the corporatization of our public institutions

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Not only are corporations taking over government functions, they are also moving rapidly to take over our essential public assets—from highways to airports. In next month's newsletter, we'll give you the lowdown on who's selling America to whom…and why www.hightowerlowdown.org

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Future of Iraq: The Soils of War — Blood and oil: How the West will profit from Iraq's most precious commodity, By Danny Fortson, Andrew Murray-Watson, and Tim Webb — January 7, 2007, by the *Independent/Uk*

The Independent has learned that the Iraqi government (is being pressured to pass a law) giving Western oil companies the right to exploit the country's massive oil reserves… And Iraq's oil reserves, the third largest in the world, with an estimated 115 billion barrels waiting to be extracted, are a prize worth having. As Vice President Dick Cheney noted in 1999, when he was still running Halliburton, the Middle East is the key to preventing the world running out of oil.

The new oil law has quietly been going through several drafts and (has been) presented to the cabinet and the Parliament in Baghdad. (The oil law is currently in limbo because of the following)… Its provisions are a radical departure from the norm for developing countries: under a system known as "production-sharing agreements" or PSA's oil majors such as BP and Shell in Britain, and Exxon and Chevron in the US, would be able to sign deals of up to 30 years to extract Iraq's oil… This revelation will raise Iraqi fears that oil companies will be able to exploit its weak state by securing favourable terms that cannot be changed in the future.

Under the chapter entitled, "Fiscal Regime," the draft spells out that foreign companies have no restrictions on taking their profits out of the country, and are not subject to any tax when doing this… "A Foreign Person may repatriate its exports proceeds [in accordance with the foreign exchange regulations In force at the time]." Shares in oil projects can also be sold to other foreign companies: "It may freely transfer shares pertaining to any non-Iraqi partners." The final draft outlines general terms for production-sharing agreements, including a standard 12.5 percent royalty tax for companies.

It is also understood that once companies have recouped their costs from developing the oil field, they are allowed to keep 20 percent of the profits, with the rest going to the government. According to analysts and oil company executives, this is because Iraq is so dangerous, but Dr. Muhammad-Ali Sainy, a senior economist at the Centre for Global Energy Studies, said: "Twenty per cent of the profits in a production-sharing agreement, once all the costs have been recouped, is a large amount." In more stable countries, 10 percent would be the norm.

$50B bonanza for US companies piecing a broken Iraq together. — *(With Extreme Incompetence)*

In May 2003, (Paul Bremmer's) Coalition Provisional Authority (CPA), part of the US Department of Defense, created the Project Management Office in Baghdad to oversee Iraq's reconstruction… In June 2004, the CPA was dissolved and the Iraqi interim government took power, but the US reconstruction project was transferred to the Iraq Reconstruction and Management Office, a division of the US Department of State, and the Project and Contracting Office in the Department of Defense.

The largest beneficiary of reconstruction work in Iraq has been KBR (Kellogg, Brown & Root), a division of US giant Halliburton, which to date has secured contracts in Iraq worth $13B, including a $7B contract to rebuild Iraq's oil infrastructure. Other companies benefiting from Iraq contracts include Bechtel, the giant US conglomerate, Bearing Point, the consultant group that advised on the drawing up of Iraq's new oil legislation, and General Electric. According to the US-based Centre for Public Integrity, 150-plus US companies have won contracts in Iraq worth over $50B.

30,000 — Number of Kellogg, Brown and Root employees in Iraq.

36 —The number of interrogators employed by CACI, [a United States publicly held contractor], that has worked in the Abu Ghraib prison since August 2003.

$12.1B — UN's estimate of the cost of rebuilding Iraq's electricity network.

$2 trillion — Estimated cost of the Iraq war to the US, according to the Nobel prize-winning economist Joseph Stiglitz.

WHAT THEY SAID:

"Oil revenues, which people falsely claim that we want to seize, should be put in a trust fund for the Iraqi people'… Tony Blair — moving motion for war with Iraq, 18 March 2003

"Oil belongs to the Iraqi people; the government has…to be good stewards of that valuable asset."
George Bush — Press conference, 14 July 2003

"The oil of the Iraqi people… is their wealth. We did not [invade Iraq] for oil."
Colin Powell — Press briefing, 10 July 2003

"By 2010, we will need [a further] 50 million barrels a day. The Middle East, with two-thirds of the oil and the lowest cost, is still where the prize lies." Dick Cheney — US Vice President, 1999

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