

IRAQ FACTS

Iraq reconstruction—how is it going?

“It’s beyond pitiful...” —Senator Chuck Hagel (R-Neb)

After a year and a half of U.S. war and occupation, Iraqis lack essential services for life. Contaminated local wells cause water-borne diseases. Rivers are so polluted not even animals can safely drink from them. A lack of electricity means food and medicine can't be preserved and water and sewage can't be treated.¹

Iraqis suffering from wretched living conditions and broken U.S. promises have stepped up resistance to the U.S.-led occupation. Because of chaos and corruption in the U.S. occupation, Iraqis remain in desperate need of jobs, services and security.

Before the U.S. started the Iraq War, the

Bush Administration intended Iraq to become a society open to unfettered private enterprise. To this end, Paul Bremer and the U.S. controlled Coalition Provisional Authority enacted a radical set of laws (illegal by The Hague and Geneva Conventions, which prohibit the U.S. from selling Iraq's assets). Foreign corporations are allowed to own 100% of Iraqi assets, take 100% of the profits outside of Iraq, and enjoy huge tax breaks. 200 significant state-owned businesses have been privatized, and 1/2 million employees (mostly soldiers, nurses, doctors, teachers, publishers, and printers) have been fired and given no pensions or severance pay. *(continued on back)*

1 Ariana Cha, “Iraqi Experts... Ineligible to Fix Polluted Systems.” Washington Post, 2/27/04. www.washingtonpost.com

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- 2 “Violation X: Fundamentally Changing the Economic Structure,” Center For Economic and Social Rights, 6/20/04. www.cesr.org
- 3 Douglas Jehl, “U.S. Intelligence Shows Pessimism on Iraq’s Future,” NY Times, 9/16/04, p.1. www.nytimes.com
- 4 Christian Parenti, “Fables of the Reconstruction,” The Nation, 8/30 & 9/6/04, p.18. www.thenation.com
- 5 “Violation X: Fundamentally Changing the Economic Structure,” Center For Economic and Social Rights, 6/20/04. www.cesr.org
- 6 Naomi Klein, “Baghdad Year Zero,” Harper’s Magazine, 9/04, pp.43-44. www.harper.org
- 7 Douglas Jehl, “U.S. Intelligence Shows Pessimism on Iraq’s Future,” NY Times, 9/16/04. www.nytimes.com

— Sen. Chuck Hagel (R-Neb) speaking of U.S. reconstruction failures in Iraq.

“It’s beyond pitiful, it’s beyond embarrassing. It is now in the zone of the dangerous.”⁷

little of the work⁴ contributing to unemployment exceeding 60% in Iraq.⁵ Investors and companies are fleeing the war and escalating violence in Iraq. Insurance companies are not selling life insurance to contractors. Banks are not opening branches. The Financial Times calls Iraq “the most dangerous place in the world to do business.”⁶

Iraqi borders are open to completely unrestricted imports with no duties, tariffs, inspections or taxes.² But Saddam Hussein’s law restricting trade unions and collective bargaining is still in place. As of September 2004, less than \$1 billion of the \$24 billion Congress allocated has been spent on any area of repair. The Bush Administration requested to divert over \$3 billion from reconstruction to security purposes,³ and illegally awarded contracts without competitive bidding – mostly to their close associates. Capable and deserving Iraqi firms are shut out; Iraqis get

(continued from front)

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