

# UN estimate for rebuilding Iraq half that of Bush's—where's the money going?

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Basic reconstruction in Iraq next year would cost less than half the amount requested by the Bush administration from the US Congress, according to a joint report prepared by the United Nations and World Bank. The report estimates that \$9 billion are needed for reconstruction in Iraq in 2004. The report was released the same day that an \$18.6 billion reconstruction budget was approved by the House Appropriations Committee.

The report provides breakdowns of costs for restoring essential services that bear out this estimate. For example, while the Bush administration has demanded \$5.7 billion for rebuilding the country's electricity system, the UN-World Bank report puts the price tag at \$2.38 billion. Similarly, for rebuilding the water and sanitation infrastructure, the administration has asked for \$3.77 billion, while the joint report estimates that less than \$1.9 billion is needed.

The introduction to the UN-World Bank report makes clear the contradiction underlying any reconstruction plan: the continued US occupation and the growing resistance struggle against it make any genuine rebuilding and social progress impossible. "When work on the assessment commenced, a main underlying assumption was that there would be a stable security environment," the document says. "This clearly is not the case at the time this Needs Assessment is being finalized."

The report was released in advance of a "donors conference" scheduled to take place in Madrid October 23-24. The Bush administration has estimated that \$55 billion will be needed for Iraqi reconstruction between 2004 and 2007. In addition to the \$20 billion that it is seeking from Congress, it has called upon other nations to come up with \$35 billion.

UN officials involved in organizing the conference,

however, project that as little as \$1 billion may actually be forthcoming. The right-wing Spanish government of Prime Minister Jose Aznar, which is hosting the gathering, is reportedly considering a postponement in order to spare his American ally the embarrassment.

The UN/World Bank report comes in the wake of the virtual collapse of the Bush administration's attempt to line up support in the United Nations for a new Security Council resolution on Iraq, which would provide a political cover for governments willing to contribute troops to the US-British occupation force.

With major powers like France, Germany, Russia and China showing little enthusiasm for the proposal—and few countries willing to contribute significant forces, with or without a resolution—UN Secretary General Kofi Annan made a series of unusually blunt public statements opposing a subordinate UN role in a US-controlled Iraq and torpedoing the US plan.

The UN/World Bank report may thus be viewed in Washington as a further act of sabotage by Annan and its opponents in Europe and Asia. That belief was evident from the reaction by the Bush administration after the *Financial Times*, the leading British business newspaper, published a prominent article on the report Friday. The White House immediately disputed comparisons between the UN figures and its own Iraq budget, saying the US cost estimate was for an 18-month period while the UN's was for 12 months. However, the White House sent the request to Congress for Fiscal Year 2004, which runs for 12 months, from October 1, 2003 to September 30, 2004.

This is not the first time the Bush administration's estimate for the cost of rebuilding Iraq's war and blockade-devastated infrastructure has been challenged. The Iraqi Governing Council, the 25-member body appointed by US administrator Paul Bremer, has called

into question many of Bremer's own budget projections. The council has charged Bremer with using higher-priced foreign contractors, mainly American, to do jobs that Iraqi businessmen could perform much more cheaply.

Mahmoud Othman, a Kurdish member of the council, told the *New York Times*, "There is no transparency, and something has to be done about it. There is mismanagement right and left... A lot of American money is being wasted, I think. We are victims and the American taxpayers are victims."

It goes without saying that Bremer and the Bush administration are not lavishing these unaccounted-for billions on the Iraqi people. What underlies the UN/World Bank report and the complaints of the Iraqi Governing Council is the dirty secret of the Bush administration's request for rebuilding Iraq: the funds being appropriated by Congress will go primarily not to Iraqis, but to large American corporations, especially those, like Bechtel and Halliburton, with the highest-level connections to the Republican Party and the Bush administration.

This is the case, not merely for the \$20.3 billion in "reconstruction" funds, on which press and congressional attention has largely focused, but for the entire \$87 billion package Bush announced last month. While the bulk of these funds, \$66 billion, is earmarked as military spending, almost none of it will go into the pockets of American soldiers or their families. The soldiers' pay is part of the regular Pentagon budget, not the new package, and they receive only a small supplement for service in a combat zone.

What is listed as military spending would be better described as a huge slush fund for the American corporations that supply food and fuel and munitions, build barracks and other facilities, and conduct many other logistical operations in Iraq. Over the past decade, most such functions have been privatized, with only the actual shooting and killing reserved to military personnel.

Combined with the initial \$79 billion cost of the invasion and conquest of Iraq, the latest administration request brings the total current spending on the Iraq war to \$166 billion, the vast majority of it ending in the coffers of giant US companies. These corporations reap guaranteed profits in contracts which typically provide full reimbursement of costs plus a 7 percent profit: the

more the companies charge the Pentagon, the more profit they make.

War profiteering is not the only reason for the US conquest of Iraq, but it is an enormously powerful factor in the decisions of the Bush administration, which includes an inordinate number of former CEOs among its key personnel.



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