



WIRELESS PLANS STARTING

GO

AT JUST \$19.99



Search the Web:

powered by MSN Search

Microsoft

Print | E-mail | Discuss | Alerts | Newsletters | Help

Slate

- [Home](#)
- [News & Politics](#)
- [Arts & Life](#)
- [Business](#)
- [Sports](#)
- [Technology](#)
- [Travel & Food](#)
- [Output Options](#)
- [About Us](#)
- [Search Slate](#)
- [Advanced Search](#)

readmeOpinions about politics and policy.

Thanks for Nothing Bush's gift to taxpayers—and Halliburton.

By Michael Kinsley
Posted Thursday, April 17, 2003, at 12:58 PM PT



President Bush, who was oh-so-sneery about the idea of "nation-building" during the 2000 campaign, is now nation-building with a vengeance. He plans to spend \$60 billion or more over the next three years rebuilding Iraq. The agenda includes everything from repairing the oil fields to rewriting the elementary-school textbooks. Like the Clinton administration he ridiculed, he now realizes that you cannot pour soldiers

and bombs into a country, declare it liberated, and come home.

But this is nation-building Republican-style, with huge contracts awarded in secret to politically connected companies. They now say that the "emergency" oil-field contract to Halliburton, formerly run by Vice President Dick Cheney—and, gosh, who would have predicted that Iraq's oil fields might need to be repaired after a war?—is only worth \$600 million, not the \$7 billion originally reported. I suppose we should be grateful for that.

In fact, in an odd twist, we're supposed to be grateful for all these big crony contracts because they're going to good old American companies and not to the filthy French or the nasty Germans or Russians who were so terribly helpful—not!—in the recent festivities. The feeling seems to be: Hey, we paid for the destruction. If it weren't for us, there wouldn't be all these roads and bridges that need rebuilding. So, if someone's going to make money rebuilding them, it ought to be us.

To be fair, the Bush administration isn't pushing this line. It doesn't need to since it is awarding these contracts with no public bidding or discussion. Members of the House of Representatives were the ones who voted to add a provision to the war-financing bill that would have forbidden the awarding of reconstruction contracts to companies from

Also in Slate

News & Politics



Eight Questions About the War

Now that Gulf War II is officially over, when is Gen. Tommy Franks going to give his big briefing ... [More](#)

Arts & Life



Those Crazy Carnies

Whatever happened to those new primitives from a decade or so ago—the pierced, tattooed kid ... [More](#)

Arts & Life



Slouching Tiger

As a rule I don't like to attack other critics, but how in hell did the pedestrian ... [More](#)

FLATTEN YOUR TUMMY
by MAY 21

Height: 5 ft 7 in
Sex: F M

eDiets

nations that didn't support the destruction that made it all possible. The provision was removed by the conference committee. Nevertheless, justifiable public outrage about Halliburton and other sweetheart deals has been muted by a widespread feeling that "we deserve this."

Which brings to mind the punch line of that old Lone Ranger and Tonto joke. ("Well, Tonto, it looks like we're surrounded by Indians." "What do you mean, 'we,' Kemosabe?") What am I to Halliburton? What is Halliburton to me? Misdirected national emotion is turning into a theme of the Bush II years. We're filled with righteous anger at Osama Bin Laden, so we go and pummel Saddam Hussein. We're filled with gratitude toward the soldiers who fought this war and with self-satisfaction as the citizens who will pay for it, so we give a teary hug and a big wet kiss on the mouth to a company practically all of us have nothing to do with.

It's like getting one of those cards announcing that instead of a Christmas present, someone has made a contribution in your name to some charity you aren't interested in. "Dear American Taxpayer: We are pleased to inform you that in gratitude for all the billions you're going to be pouring into Iraq, the U.S. government has made a sweetheart deal on your behalf with a company you've never heard of." Eighty billion dollars—the size of just the first expense report the Bush administration has submitted to Congress—works out to about \$1,000 that needs to be kicked in by each household in the United States. Of course we're putting it all on the credit card, to be paid for in the future, with interest. But it's still real money. If we made a contribution that big to our local public broadcasting outlet, we'd qualify for a CD recording by six, nine, or even 12 tenors. From the Bush administration, we don't even get a tote bag. But at least we have the satisfaction of knowing that we share a \$10 trillion economy with some smiling companies that are doing well as a result of the war.

Reserving government contracts for domestic companies violates international law, of course. It seems like just the other day that Donald Rumsfeld was lecturing Saddam Hussein about the importance of obeying international law. The World Trade Organization rules forbid governments to discriminate against the companies of fellow members when they are looking to spend some money. This is not one of those high-minded international laws that we agreed to just because we're so noble and can't really be expected to obey, my dear fellow—we being the world's only superpower and all that. This particular law is superpower-friendly. Our country is the one with more of the big global companies that are most likely to benefit from open markets for government business. We also have a smaller government share of GDP than any of our major trading partners. That means we have more to gain from access to other nations' government business than they have to gain from access to ours. And therefore we have more to lose if other nations retaliate by cutting off our

TOP HEADLINES



- ♦ [Iraqi sees new government in weeks](#)
- ♦ [American scraps executive bonuses](#)
- ♦ [New videotape of 'Saddam' aired](#)
- ♦ [China to admit far more SARS cases](#)

access to their government contracts, which they are understandably threatening to do.

And, lest we forget, the doctrine of free trade holds—based on near-mathematical proof, not just pious wishful thinking—that a nation benefits by buying foreign goods, not just by selling its own goods to foreigners. As the folks footing the bill, we should want the reconstruction of Iraq to be as inexpensive as possible. If a firm from Uzbekistan can patch a pipeline for less than a firm from Texas, giving the work to that firm in Texas is just paying too much. Even if the Uzbeki firm is able to underbid the Texas one only because it is getting an Uzbekistan government subsidy, that just means a bit of the burden is being shifted from American taxpayers to the taxpayers of Uzbekistan.

Thanks so much for that Halliburton contract, George. And all the lovely deals for Bechtel and other well-connected companies. You shouldn't have.

Advertisement

[MSN Shopping](#)

Michael Kinsley is **Slate's** founding editor.

Illustration by Robert Neubecker.

Slate

More readme

[Bush's gift to taxpayers—and Halliburton.](#)

posted April 17, 2003

Michael Kinsley

[Victory in the war is not victory in the argument about the war.](#)

posted April 10, 2003

Michael Kinsley

[The Bush administration's ultimate weapon.](#)

posted April 2, 2003

Michael Kinsley

[Invoking international law—when it suits us.](#)

posted March 27, 2003

Michael Kinsley

[The Bush Doctrine: War without anyone's permission.](#)

posted March 20, 2003

Michael Kinsley

Search for more [Readme](#) in our archive.



What did you think of this article?
Join the Fray, our reader discussion forum
[POST A MESSAGE](#) [READ MESSAGES](#)

Remarks from the Fray:

...There is no doubt that the Bush Administration showed the worst possible judgment in awarding contracts to firms with connections to its members - Halliburton is probably the most egregious example - quietly rather than out in the open with some attempt to justify why it choose them. No matter how poorly made their argument, it could have stood them in no worse light than the accusations that Mr. Kinsley and others are raising in the vacuum thereof. However, there are some legitimate and compelling reasons why the U.S. government might wish to award these contracts to U.S. firms, even at the risk of potential legal, diplomatic, and economic considerations to the contrary, beyond their desire to reward their cronies or big business in general. Simply put, the economy needs stimulus to have a chance at restarting itself and most liberal and moderate economists - not to mention some conservative ones- are growing more and more convinced that tax cuts will not do this so much as some concentrated government spending over the next two to five years. Mr. Kinsley knows that. In his January 26, 2003 article ("Dubya's Dividend Delight") he rails against the idea of this particular tax cut as compared to traditional government spending....Now I appreciate that rebuilding the foreign nation we helped to destroy is obviously not the number one use for the money on Mr. Kinsley's list. However, surely even he can see the positive effects of eighty billion dollars of government spending on our economy....Who are all these companies in Germany and France and Uzbekistan for whom the admonition "practically all of us have nothing to do with" does not apply as it apparently does for American companies? Do companies like Halliburton and Bechtel have no Americans working for them? Will this spending create new jobs that some Americans might fill? Will not a single dollar of the profits be passed onto stockholders, some of whom are undoubtedly Americans? Jeez - I appreciate that the CEOs of these businesses will end up with obscene bonuses over this and I am as outraged over THAT as the next guy but it is still only half the story.

--The_Bell

(To reply, click [here](#))

Michael Kinsley is dead-on in his critical piece regarding the awarding of lucrative contracts to Republican cronies....Which is money straight into Cheney and friends' pockets. How much longer are we going to put up with this? Where the hell is Cheney, anyway? Still hiding behind those piles of paper he refused to turn over to the SEC in the Halliburton investigation? And why is our government awarding contracts to a company that had a \$100,000,000 (100 million!) dollar accounting irregularity on its books? I see little hope for this country without revolution against these politicians who so brazenly will steal straight from

America's pocketbooks and future.

[_Gatsby_](#)

(To reply, click [here](#))

Halliburton is the world's largest service company. Their capabilities are second to none. Their largest competitor is Schlumberger (French). However, SLB does not have the total package of services, technology, and experience when compared to Halliburton. Companies such as HAL and SLB have service locations in the ME....The US is the leader in technology and services for the petroleum industry. The capabilities of FSU, Far East, ME, etc. services are third rate at best. These countries buy their equipment from US companies (OPI, Gardner Denver, HAL, SLB, etc). They also get their technology from the US companies engaged in R&D....[C]omparing the repairs to a pipeline is totally different and more dangerous than extinguishing a fire, controlling the flow of hydrocarbon and dealing with pressure. Certainly, there are companies that can adequately handle certain aspects. How many companies do want to get involved? How complicated do you want to make the solution?....[T]here are companies that specialize in certain areas, i.e. Cudd, Boots & Coots (filed for bankruptcy), Wild Well Control. The benefit and added cost savings come about when you can minimize the number of companies involved. The process becomes streamlined and less complicated. People have the right to ask questions and should. However, before you start making accusations, find out what options exist. Come up with a workable plan and compare the costs and benefits.

--all4USA

(To reply, click [here](#))

...How tiresome to read another piece suggesting that Bush is somehow hypocritical for having changed his foreign policy since the 2000 campaign. 9/11 was a major tectonic event. It is hardly surprising that Bush's policies on things like nation-building and immigration would be dramatically affected by it. His current policies are proper subjects for criticism, but to hold them up as evidence of broken campaign promises is absurd. A more principled comparison of then and now would address those policies that *haven't* changed when they should've. While still pushing for drilling in Alaska, Bush won't support more than nominal increases in fuel efficiency standards for SUV's, despite the obvious need to minimize our dependence on the middle east. And his response to the unforeseen expense of war and reconstruction: more tax cuts. Tom Friedman is right in saying that Bush is trying to staple a September 10 domestic policy to a September 12 world.

--raub

(To reply, click [here](#))

(4/18)

MSN - More Useful Everyday

[MSN Home](#) | [My MSN](#) | [Hotmail](#) | [Search](#) | [Shopping](#) | [Money](#) | [People & Chat](#)

©2003 Microsoft Corporation. All rights reserved. [Terms of Use](#) [Advertise](#) [TRUSTe Approved](#) [Privacy Statement](#) [GetNetWise](#)