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 The campaign issue that wasn't - Cheney's oil company in shady business deals with Iraq< By Martin A. Lee

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Here's a whopper of a story you may have missed amid the cacophony of campaign ads and stump speeches in the run-up to the elections. During former defense secretary Richard Cheney's five-year tenure as chief executive of Halliburton, Inc., his oil services firm raked in big bucks from dubious commercial dealings with Iraq. Cheney left Halliburton with a \$34 million retirement package last July when he became the GOP's vice-presidential candidate.

Of course, U.S. firms aren't generally supposed to do business with Saddam Hussein. But thanks to legal loopholes large enough to steer an oil tanker through, Halliburton profited big-time from deals with the Iraqi dictatorship. Conducted discreetly through several Halliburton subsidiaries in Europe, these greasy transactions helped Saddam Hussein retain his grip on power while lining the pockets of Cheney and company.

According to the *Financial Times* of London, between September 1988 and last winter, Cheney, as CEO of Halliburton, oversaw \$23.8 million of business contracts for the sale of oil-industry equipment and services to Iraq through two of its subsidiaries, Dresser Rand and Ingersoll-Dresser Pump, which helped rebuild Iraq's war-damaged petroleum-production infrastructure. The combined value of these contracts exceeded those of any other U.S. company doing business with Baghdad.

Halliburton was among more than a dozen American firms that supplied Iraq's petroleum industry with spare parts and retooled its oil rigs when U.N. sanctions were eased in 1998. Cheney's company utilized subsidiaries in France, Italy, Germany, and Austria so as not to draw undue attention to controversial business arrangements that might embarrass Washington and jeopardize lucrative ties to Iraq, which will pump \$24 billion of petrol under the U.N.-administered oil-for-food program this year. Assisted by Halliburton, Hussein's government will earn another \$1 billion by illegally exporting oil through black-market channels.

With Cheney at the helm since 1995, Halliburton quickly grew into America's number-one oil-services company, the fifth-largest military contractor, and the biggest nonunion employer in the nation. Although Cheney claimed that the U.S. government "had absolutely nothing to do" with his firm's meteoric financial success, State Department documents obtained by the *Los Angeles Times* indicate that U.S. officials helped Halliburton secure major contracts in Asia and Africa. Halliburton now does business in 130 countries and employs more than 100,000 workers worldwide. Its 1999 income was a cool \$15 billion.

In addition to Iraq, Halliburton counts among its business partners several brutal dictatorships that have committed egregious human rights abuses, including the hated military regime in Burma (Myanmar). EarthRights, a Washington, D.C.-based human rights watchdog, condemned Halliburton for two energy-pipeline projects in Burma that led to the forced relocation of villages, rape, murder, indentured labor, and other crimes against humanity. A full [report](#) (this is a 45 page pdf file - there is also a brief [summary](#)) on the Burma connection, "Halliburton's Destructive Engagement," can be accessed on EarthRights' Web site, <http://www.earthrights.org/news/halliburton.html>.

Human rights activists have also criticized Cheney's company for its questionable role in Algeria, Angola, Bosnia, Croatia, Haiti, Rwanda, Somalia, Indonesia, and other volatile trouble spots. In Russia, Halliburton's partner, Tyumen Oil, has been accused of committing massive fraud to gain control of a Siberian oil field. And in oil-rich Nigeria, Halliburton worked with

Shell and Chevron, which were implicated in gross human rights violations and environmental calamities in that country. Indeed, Cheney's firm increased its involvement in the Niger Delta after the military government executed several ecology activists and crushed popular protests against the oil industry.

Halliburton also had business dealings in Iran and Libya, which remain on the State Department's list of terrorist states. Brown and Root, a Halliburton subsidiary, was fined \$3.8 million for reexporting U.S. goods to Libya in violation of U.S. sanctions.

But in terms of sheer hypocrisy, Halliburton's relationship with Saddam Hussein is hard to top. What's more, Cheney lied about his company's activities in Iraq when journalists fleetingly raised the issue during the campaign.

Questioned by Sam Donaldson on ABC's *This Week* program in August, Cheney bluntly asserted that Halliburton had no dealings with the Iraqi regime while he was on board.

Donaldson: I'm told, and correct me if I'm wrong, that Halliburton, through subsidiaries, was actually trying to do business in Iraq?

Cheney: No. No. I had a firm policy that I wouldn't do anything in Iraq – even arrangements that were supposedly legal.

And that was it! ABC News and the other U.S. networks dropped the issue like a hot potato. As damning information about Halliburton surfaced in the European press, American reporters stuck to old routines and took their cues on how to cover the campaign from the two main political parties, both of which had very little to say about official U.S. support for abusive corporate policies at home and abroad.

But why, in this instance, didn't the Democrats stomp and scream about Cheney's Iraq connection? The Gore campaign undoubtedly knew of Halliburton's smarmy business dealings from the get-go. Gore and Lieberman could have made hay about how the wannabe GOP veep had been in cahoots with Saddam. Such explosive revelations may well have swayed voters and boosted Gore's chances in what was shaping up to be a close electoral contest.

The Democratic standard-bearers dropped the ball in part because Halliburton's conduct was generally in accordance with the foreign policy of the Clinton administration. Cheney is certainly not the only Washington mover and shaker to have been affiliated with a company trading in Iraq. Former CIA Director John Deutsch, who served in a Democratic administration, is a member of the board of directors of Schlumberger, the second-largest U.S. oil-services company, which also does business through subsidiaries in Iraq. Despite occasional rhetorical skirmishes, a bipartisan foreign-policy consensus prevails on Capitol Hill, where the commitment to human rights, with a few notable exceptions, is about as deep as an oil slick.

Truth be told, trading with the enemy is a time-honored American corporate practice – or perhaps "malpractice" would be a more appropriate description of big-business ties to repressive regimes. Given that Saddam Hussein, the pariah du jour, has often been compared to Hitler, it's worth pointing out that several blue-chip U.S. firms profited from extensive commercial dealings with Nazi Germany. Shockingly, some American companies – including Standard Oil, Ford, ITT, GM, and General Electric – secretly kept trading with the Nazi enemy while American soldiers fought and died during World War II.

Today General Electric is among the companies that are back in business with Saddam Hussein, even as American jets and battleships attack Iraq on a weekly basis using weapons made by G.E. But the United Nations sanctions committee, dominated by U.S. officials, has routinely blocked medicines and other essential items from being delivered to Iraq through the oil-for-food program, claiming they have a potential military "dual use." These sanctions have taken a terrible toll on ordinary Iraqis, and on children in particular, while the likes of Halliburton and G.E. continue to lubricate their coffers.

Martin A. Lee is author of *The Beast Reawakens*, a book about resurgent fascism.

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