



Just like the taxpayers of medieval Italian cities, we're having our money siphoned off to pay for a greedy military machine

Wind forward 650 years or so. The US, under George W Bush, decided to privatise the invasion of Iraq by employing private "contractors" like the Blackwater company, now renamed Xe Services. In 2003 Blackwater won a \$27m no-bid contract for guarding Paul Bremer, then head of the Coalition Provisional Authority. For protecting officials in conflict zones since 2004, the company has received more than \$320m. And this year the Obama government contracted to pay Xe Services a quarter of a billion dollars for security work in Afghanistan. This is just one of many companies making its profits out of warfare.

In 2000 the Project for the New American Century published a report, Rebuilding America's Defenses, whose declared aim was to up the spending on defence from 3% to 3.5% or 3.8% of American gross domestic product. In fact it is now running at 4.7% of GDP. In the UK we spend about \$57bn a year on defence, or 2.5% of GDP.

Just like the taxpayers of medieval Italian city-states, we are having our money siphoned off into the business of war. Any responsible company needs to make profits for its shareholders. In the 14th century the shareholders in the free companies were the soldiers themselves. If the company wasn't being employed by someone to make war on someone else, the shareholders had to forgo their dividends. So they looked around to create markets for themselves.

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