

The rape of Iraq

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During the buildup to the last world war, it was common to speak of Nazi Germany's "rape of Czechoslovakia," or "rape of Poland." What characterized Germany's modus operandi in these countries was the use of overwhelming military force, the complete elimination of their governments and all civic institutions followed by the takeover of their economies for the benefit of German capitalism.

It is high time that what the US is doing is called by its real name. A criminal regime in Washington is carrying out the rape of Iraq.

One month after the fall of Baghdad to the US military, the real reasons for the Bush administration's illegal war against Iraq are coming clearly into focus. Behind Washington's rhetoric about "liberation" and "democracy," America's financial oligarchy is preparing to enrich itself through the outright theft of an entire nation's wealth.

The weapons of mass destruction and terrorist cells—the supposed targets of the US invasion—are nowhere to be found. Only the hopelessly naïve or willfully obtuse can believe that these were the real motives for the war. That the US government sent hundreds of thousands of troops and expended billions of dollars worth of munitions and materiel to "liberate" the Iraqi people is even less credible.

Washington's real intentions are the creation of an out-and-out colonial regime. In Iraq, Washington is confronting the world with the reemergence of imperialism in the classic sense of the word. It is repudiating the right of small nations to self-determination and asserting its own right to use military force to seize whatever it desires.

Today Iraq lies in ruins. A campaign that can better be described as a massacre than a war yielded combined civilian and military casualties that number in the many tens if not hundreds of thousands. Hospitals, schools, power facilities, water and sewage services, trash collection and every other section of infrastructure required to sustain life in a highly urbanized society have been smashed. Cholera and other diseases have reached epidemic proportions.

Virtually the entire population is without work or any means of support. No money has been budgeted to pay the salaries of displaced government workers, and US officials have made it clear that there are no plans to revive the Iraqi civil service.

In Baghdad last Saturday, several hundred desperate job seekers stormed the Palestine Hotel, which, unbeknownst to them, the US military command had recently abandoned. Protesting the desperate conditions facing working people as the result of the invasion, they shouted: "George Bush, Ali Baba."

The comparison of the American occupation with the exploits of the fabled Arabian bandit and his 40 thieves is well-founded. Washington has unleashed an army of thieves upon this battered country.

US occupation forces began by actively encouraging rampant looting—including the pillaging of the irreplaceable treasures of the National Museum—as a means of smashing whatever had been built up by Iraqi society.

The aim is to reduce the country's people to a destitute and atomized mass, creating what the Bush administration sees as a *tabula rasa* upon which it can imprint its own right-wing and predatory schemes. They are carving out an area to carry out an economic, social and military

experiment that gravely threatens not only the people of Iraq and the region, but also the working people of America and the world.

A secret US document entitled "Moving the Iraqi Economy from Recovery to Sustainable Growth," first reported by the *Wall Street Journal* last week, provides a glimpse into US intentions.

BearingPoint Inc., a consulting firm known previously as KPMG Consulting, has been awarded a contract for introducing this plan. The firm was one of a number connected to the auditing giants that changed their names and separated from parent companies in the wake of the series of financial scandals that reached their high point with the collapse of the Enron Corporation, a key corporate ally of the Bush administration.

Had it not been for Enron's debacle, it would today undoubtedly be one of the major contractors seeking to profit from the misery of the Iraqi people. In essence, US intentions in Iraq manifest the same criminal tendencies that were revealed at Enron, WorldCom and company after company in recent years.

The thrust of the US plan is the wholesale privatization of state-owned industries, particularly the oil sector, and the formation of a stock market as well as the imposition of a US-style tax code aimed at benefiting foreign investors.

Privatization in Iraq, as elsewhere, is designed as a ruthless form of triage. Most of the state-owned companies upon which people have depended for their livelihoods and their basic needs will simply be declared insolvent and liquidated.

Those deemed potentially profitable will be sold off through what the document describes as a "broad-based Mass Privatization Program," which could include the distribution of vouchers to Iraqi citizens. A similar procedure was used in Russia. While touted as a form of "people's capitalism," that allows ordinary citizens to "own" the national wealth, it turned quickly into a means of transferring state-owned property into the hands of a coalition of criminals and former Stalinist bureaucrats. Ordinary people quickly sold off the vouchers for a fraction of their face value to get money for food.

The document says that the job of the multiple contractors being chosen by the Bush administration will be to facilitate "private sector involvement in strategic sectors, including privatization, asset sales, concessions, leases and management contracts, especially in the oil and supporting industries."

The document likewise calls for turning Iraq's primitive stock market into a "world-class exchange" for trading shares in the newly privatized companies. Not only would US government contractors create the basic infrastructure for this exchange, American taxpayers' money would also go to train a cadre of Iraqi stockbrokers, presumably imparting the wisdom of financial fraud that has been so much in evidence on Wall Street in recent years.

Privatization at gunpoint

The shamelessness of the US plan has shocked even some of those who have participated in previous privatization plans. "Privatization would end up being done by American guns, not by democratic decision," Jeffrey Sachs, the Harvard economist who played a key role in the elaboration of privatization schemes in Russia and Eastern Europe, commented recently. "If there was privatization like people are talking about, it will help our oil companies and the European oil companies in grabbing the Iraqi oilfields."

For the US corporations, the conquest of Iraq is about more than just oil, it presents a field of opportunity for unrestrained exploitation and an infusion of badly needed profits through the looting of an entire nation.

Iraq represented a defenseless and, in many ways, irresistible target from the standpoint of the capitalist drive for profit. It possesses vast natural resources, with proven oil reserves of around 112 billion barrels, second only to Saudi Arabia. It likewise has a highly skilled workforce. Yet, as a result of US military attacks and 12 years of punishing sanctions, it remained one of the most economically undeveloped countries in the world, with a per capita income of just \$800 and a Gross Domestic Product that has plummeted by over 70 percent in the last two decades.

Before the war, Iraq's oilfields were pumping out 2.5 million barrels a day. It is estimated that with several billion dollars worth of capital investment, output could reach 7 million barrels a day within the next several years, bringing in annual revenues of more than \$60 billion at today's oil prices.

Lack of capitalist development characterizes virtually every other sector. The country's stock market traded just 95 companies and the country has one of the lowest capitalization to GDP ratios for the region.

Iraq's telecommunications network is one of the least advanced in the world, the result of being denied access to technology by the US-backed sanctions. There are presently just 2.9 telephone lines per 100 people and no mobile network.

The takeover of the oil industry is already under way. Philip Carroll, the former CEO of Shell Oil, has been tapped to oversee the oil ministry. It was also revealed this week that the supposed "oil fire fighting contract" awarded secretly to a subsidiary of the Halliburton Corp. in the midst of the war covers not just the limited task of fighting oil well fires—as government officials previously maintained—but also the "operation and distribution of products."

In other words, the company that was headed by US Vice President Richard Cheney from 1995 to 2000—and still pays him up to \$1 million annually—will operate Iraq's oilfields and control whatever oil is produced.

The subsidiary, Kellogg Brown & Root (KBR), secured a no-bid contract that has no limit either on its length or dollar amount. Like most of the contracts awarded, it is structured on a cost-plus basis, meaning the more the company incurs in costs the more profit it makes.

The revelation about the KBR contract came in response to a demand for more information made by Rep. Henry Waxman, Democrat of California, who questioned whether Halliburton's political ties had won it the deal.

In a letter to the Army Corps of Engineers, which released the information, Waxman noted that previous descriptions of the contract had mentioned only oil well fires and repairs. "These new disclosures are significant and they seem at odds with the administration's repeated assurances that the Iraqi oil belongs to the Iraqi people."

Publicly embracing American imperialism

What is taking place in Iraq is the onset of a fundamental change in US

foreign policy with vast implications both for the world and for the American people. Washington has embarked on a nakedly neo-colonialist venture. The fiction that it is preparing a democracy in Iraq is self-evident. Democracies are not created at the point of a bayonet or by the decrees of military occupation authorities. Those Iraqis whom the US has selected to assist in this project, led by the convicted embezzler Ahmed Chalabi, are a gang of criminals and CIA agents.

The retired US general in charge of the military occupation, Jay Garner, announced this week that "by the middle of the month you'll see a beginning of a nucleus of an Iraqi government with an Iraqi face on it, that is dealing with the coalition." This "Iraqi face" excludes any force in Iraq that enjoys genuine mass support. Where indigenous forces have come forward to restore order and essential services, as in Mosul and Fullajah, the US military's response has been one of bloody massacres.

Perhaps one of the most significant political features of this process is the lack of opposition across the official political spectrum within the US itself. In an earlier period, US imperialist politicians and their ideological defenders eschewed the label of empire and not infrequently cited the country's origins in an anti-colonial revolutionary war in order to claim moral superiority over its rivals in "old Europe." Now, US empire and colonialism are shamelessly embraced.

The *New York Times* chief foreign affairs commentator, Thomas Friedman, a scoundrel who faithfully echoed the administration's multiple pretexts for the war, is a prime example. In a plea to liberal opponents of the war to become "constructive critics" and participants in the task of "nation building," Friedman writes: "We now have a 51st state of 23 million people. We just adopted a baby called Baghdad." He concludes by urging Democrats in the US not to "miss the opportunity to shape—and help make happen—one of the most important turning points in US foreign policy."

Even more provocatively, Max Boot, a right-wing commentator who serves as a spokesman for the coalition behind Bush, produced an opinion piece for *USA Today* entitled: "American imperialism? No need to run away from the label." He urged US officials not to concern themselves with potential opposition to the neo-colonial enterprise in Iraq. "More than 125,000 American troops occupy Mesopotamia," he exulted. "They are backed up by the resources of the world's richest economy. In a contest for control of Iraq, America can outspend and outmuscle any competing faction."

Boot continued with a warning not to underestimate the costs associated with the conquest of Iraq. "We'd better get used to US troops being deployed there for years, possibly decades, to come," he writes. "If that raises hackles about American imperialism, so be it. We're going to be called an empire whatever we do. We might as well be a successful empire."

The vast majority of the Iraqi population has no desire to become slaves of corporate America, and not a few have already died opposing this criminal enterprise. Should it succeed, not only they, but working people in the United States and internationally will pay a terrible price.

An unprecedented social and economic crisis

America's rapacious policy in Iraq is driven by profound domestic social and economic contradictions. US capitalism confronts its most serious economic and financial crisis since the end of the Second World War. Planned job cuts in April rose to over 146,000, the thirty-third month in a row that has registered the slashing of jobs. This marks the longest continuous decline in employment during the postwar period.

Leading this jobs massacre—with nearly 58,000 planned layoffs—were

state and local governments, which are increasingly confronting the specter of bankruptcy. Nearly 120,000 public sector layoffs have been announced since the year began, together with drastic cuts in essential services ranging from public education to medical care.

A Business Roundtable survey of top executives representing the largest US employers showed that only 18 percent of their companies plan to increase capital spending this year. The remaining 82 percent said capital spending would remain stagnant or decline. Only 9 percent of these executives said their companies plan to hire new workers this year, while close to half expected to lay off more employees.

Meanwhile, the US dollar has registered a precipitous decline, falling nearly 20 percent against the euro in the last year and a half, reflecting the flight of capital from the US markets in the face of declining profit rates. The supposedly invincible America, the world's "sole superpower," is in reality beset by unprecedented economic rot.

The attempts by the financial oligarchy to reverse these trends through financial fraud and literally criminal economic activity on the one hand, and the turn toward militarism and colonial conquest on the other, are a response to the crisis and decay at the heart of American capitalism.

With the way the US looting of Iraq is being organized, American working people will be foremost among those paying the price to enrich a handful of politically connected corporations. The "liberation" of the Iraqi people will translate into a massive rip-off of the American people. America's military victory has only widened the scope of activities of the criminal layer that dominates both politics and corporate finance.

The cost-plus contracts that are awarded by the Bush administration can be paid for in the first instance only through the intensification of attacks on basic social conditions at home.

The rise of a new US neo-colonialism, moreover, will not be a repetition of nineteenth century European colonialism. It will not foster a "labor aristocracy" with the proceeds reaped from a conquered Iraq. Given the global integration of capitalist production, Iraq becomes another source of cheap labor. Its conquest will only accelerate the drain of money and jobs out of the US in search of guaranteed profits in Iraq.

At the same time, this neo-colonial plunder will only strengthen the grip of the most corrupt and right-wing elements in the American government. Those winning the lucrative deals in Iraq will be those who have anted up to the Republican Party's campaign committees. It is a game in which one has to "pay to play."

The struggle against war, colonialism and empire

American working people can defend their own rights only by unconditionally opposing the turn toward colonialism and empire. This process goes hand-in-hand with the destruction of living standards and jobs at home and the creation of an ever-more repressive political regime that is bent on abrogating fundamental democratic rights.

In Europe, workers must reject the opportunist and cowardly efforts of their governments to adapt themselves to America's predatory aims and thereby win a share of the booty. Whether these efforts succeed or fail, the end result will be an intensified assault on the tattered remains of the welfare states built up during the postwar period. The appeasement of US imperialism can only facilitate new campaigns of colonial conquest and ultimately the descent into a third world war.

In Iraq, the masses must intransigently oppose the imposition of a neo-colonial regime. The claims that Washington is interested in democracy and modernization in Iraq are a patent lie. The only interest of the American ruling elite is expropriating whatever is capable of yielding a profit while suppressing any resistance by Iraqis to the plundering of their

resources.

The demand must be raised for the immediate withdrawal of all US and British occupation forces from Iraq and the convening of a democratically elected constituent assembly to form a new independent Iraqi government committed to protecting Iraq's resources and utilizing them for the benefit of the masses of the country's working people.

The struggle against war and resurgent neo-colonialism can be successfully waged only by one social force—the international working class. A new revolutionary party must be built to mobilized the working class independently and unite it internationally on the basis of a socialist perspective that replaces the profit principle with the conscious development of the world economy in the interests of all. This is the perspective of the *World Socialist Web Site* and of the Socialist Equality Party.



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