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More Corporate Looting in Iraq

Kevin Carson

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I've written before about the looting of Iraq, cloaked behind phony "free market" principles, under Bremer's puppet legal regime (which is still the law of the land in Iraq, until a new constitution is put in place). Now Charles N. Todd writes at UnCapitalist Journal about the impending sale of eleven Iraqi oil fields. It will be an orgy of ASI-style phony "privatization" (known to those not criminally insane simply as "looting"), with eleven oil fields sold to "international investors."

Here's how the long-term cycle of IMF-World Bank lending, neoliberal "reform," and privatization works, in Sean Corrigan's words:

Does he [Treasury Secretary O'Neill] not know that the whole IMF-US Treasury carpet-bagging strategy of full-spectrum dominance is based on promoting unproductive government-led indebtedness abroad, at increasingly usurious rates of interest, and then—either before or, more often these days, after, the point of default—bailing out

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the Western banks who have been the agents provocateurs of this financial Operation Overlord, with newly-minted dollars, to the detriment of the citizenry at home?

Is he not aware that, subsequent to the collapse, these latter-day Reconstructionists must be allowed to swoop and to buy controlling ownership stakes in resources and productive capital made ludicrously cheap by devaluation, or outright monetary collapse?

Does he not understand that he must simultaneously coerce the target nation into sweating its people to churn out export goods in order to service the newly refinanced debt, in addition to piling up excess dollar reserves as a supposed bulwark against future speculative attacks (usually financed by the same Western banks' lending to their Special Forces colleagues at the macro hedge funds) — thus ensuring the reverse mercantilism of Rubinomics is maintained?

Joseph Stromberg has argued for a very different method of “privatizing” the oil industry. He takes Rothbard’s and Hoppe’s proposal for privatizing industry in post-communist societies, and applies it to the state-owned oil industry in Iraq:

In the case of capital goods created by the communist states out of confiscated resources, the quickest and least bad solution was the “syndicalist” one of handing over the oil refineries to, say, the oil refinery workers and managers, since in a rough analogy with the homesteading of unowned resources, those workers and managers had mixed their labor with the goods in question.

It wasn’t perfect, but it beat funny auctions, that amounted to new expropriations by domestic and foreign investors and, even worse, rested on an assumption of ultimate state title, which pushed aside the whole question of just ownership.[9]

Proposals to auction off Iraqi properties, with the state acting as effective owner, would likely lead, if implemented, to a massive alienation of resources into the hands of select foreign interests.

That’s exactly what’s happening now: a funny auction, in practice the expropriation of Iraq’s natural resources by politically connected foreign investors.