
BOOK REVIEWS

Christopher Doran

**Making the World Safe for Capitalism:
How Iraq threatened the US Economic Empire and
had to be Destroyed.**

Pluto Press, London, 2012, pp.288, \$30.

Reviewed by Frank Stilwell

When the USA led the invasion of Iraq in 2003, world opinion was divided. The US administration headed by George W. Bush emphasised the need to quickly locate the alleged 'weapons of mass destruction' held by Saddam Hussein's regime. Then, when these weapons could not be found, it promoted a more general case for 'regime change'. Cynical observers said that it was 'all about oil', pointing out that the invasion would never have occurred if Iraq's main export had been broccoli or bananas!

This book by Christopher Doran provides a carefully argued third view, emphasizing that the motivation for the invasion and subsequent occupation of the country was 'to eliminate the threats a post-UN sanctions Iraq could have posed to American economic hegemony' (p.4). From this perspective, the 2003 invasion was not the start of the war but a continuation of policies put in place after Iraq invaded Kuwait in 1990. That bizarre and ill-fated attempt to annex Kuwait had led the UN Security Council, under US leadership, to initiate UN Resolution 687 which imposed severe economic sanctions on Iraq. By the early 2000s, however, there was increasing international pressure to remove or reduce those sanctions because of humanitarian concerns about their adverse effects on Iraqi citizens and their failure to produce regime change.

Why was this prospective post-sanctions situation in Iraq of such concern to the US Administration? According to Doran, it is because Iraq, freed from sanctions, would have been capable of challenging the political economic dominance of Saudi Arabia in the Middle East which could then have undermined the capacity of the USA to continue its global hegemony. Saudi Arabia, as the leading oil producer in the region, was

generating a massive petrodollar surplus that was crucial to financing the US economy. The Saudi-originated petrodollars flowing into the USA – estimated at about \$1 trillion between 1973 and 2000 – were necessary for the US economy, particularly for the US government’s ability to manage recurring budget deficits. An independent Iraq, free to develop its own oil resources unimpeded, could have upset that arrangement. The *status quo*, based on a cosy relationship between Saudi Arabia and the USA, needed to be defended against the possibility of an economically resurgent Iraq.

According to Doran’s book, then, oil is a key part of the story, but not in the simple sense of direct control over oil supply. The military invasion was not simply a matter of capturing Iraqi oil reserves to serve US interests: it was also part of a strategic geopolitical process of maintaining US global political economic dominance.

Concurrent with these strategic concerns was the quest to extend the reach of neoliberalism, as an economic ideology and political practice, in the Middle East region. Doran quotes Paul Bremen, head of the Coalition Provisional Authority (CPA) that was set up to manage Iraq post-invasion, bluntly describing US intentions: ‘It’s a full scale economic overhaul. We’re going to create the first real free market economy in the Arab world’ (p.9). For a state institution – particularly one formed by invading state powers – to set up the ‘free market’ may seem somewhat contradictory from a purist liberal perspective. But no matter, purity has never been the strong suit of neoliberalism anyway: in pursuit of the goal of creating more opportunities for profit and capital accumulation, anything goes. So on with the WTO market liberalization agenda, more privatisations, more outsourcing and the audacious restructuring of agriculture on ‘free market’ principles, emphasizing large-scale monocrops and genetically modified foods.

The sections in Doran’s book that describe these dramatic economic changes forced on Iraq tell a particularly powerful story. So too do the parts documenting the monetary and social costs of using military means to drive economic change and expand opportunities for profit-seeking corporations. The sums involved are staggering. To quote just one illustration: ‘In August 2011, a report by the Commission on Wartime Contracting, a body set up by the US Congress, found that at least \$30 billion and as much as \$60 billion had been lost to fraud and waste in outsourcing military contracts to private corporations in Iraq and

Afghanistan, and averaged about \$12 million each and every day” (p.148). A book called *Haliburton's Army*, written by Pratap Chatterjee and published in 2009 by Nation Books, drills yet deeper into how particular corporate interests benefited from these processes. Explicit corruption is an important part of the story.

Doran has previously written about some of these issues from an Australian perspective, introducing the evocative phrase ‘militarised neoliberalism’ to highlight the nexus between state power and corporate interests operating under a veneer of free-market ideology. The article he published in the June 2007 issue of this journal (*JAPE No.59*) put emphasis on the Australian government’s complicity in the process of imposing political economic change in Iraq. As a partner in the invading and occupying forces, Australia had a representative on the CPA and a strong involvement in managing the restructuring of Iraq agriculture. As Doran pointed out, former Australian Wheat Board Chairman (AWB) Trevor Flugge was a leading player who had been hand-picked by the Australian Prime Minister John Howard for his role in the CPA. Flugge later became infamous as the architect of the nearly \$300 million in kickbacks that AWB paid to Saddam Hussein to guarantee wheat contracts for Australia in the pre-invasion period. Doran reminds us of this corrupt Australian involvement in the Iraq situation in the current volume under review (pp.214-5). He also refers (on p.3) to Iraq proving to be ‘the political downfall’ of John Howard (as well as Bush and Blair in their respective nations), which is a more debatable political inference, although the point is made only in passing.

What is really impressive about Doran’s approach in this book is the treatment of both the details and the big picture – the nuts and bolts of the corporate interests involved in the corrupted restructuring process and the broader imperialist power play. He tells a powerful and thoroughly argued story, backed by a wealth of research evidence. He pulls no punches in revealing the abuses of corporate and state power. The emphasis on the intimate connection between economic and military interests makes for compelling reading.

Making the World Safe for Capitalism is a powerful account of how the expansion of the ‘market economy’ into unwelcoming territory is driven by an iron fist. Along with Erik Paul’s *Neoliberal America and US Imperialism in Asia* (reviewed in the previous issue of this journal: *JAPE*

No.71), it deserves a wide readership both among political economists and a broader array of concerned citizens.

Adele Ferguson

Gina Rinehart: the Untold Story of the Richest Woman in the World,

Sydney: Pan Macmillan, 2012, pp. 490, rrp. \$34.99.

Reviewed by Kosmas Tsokhas

By any count, with investment peaking at more than \$100 billion in 2011, the mining industry has been important for capital accumulation in Australia. Over the years, no two personalities from the industry have stood out as much as Lang Hancock and his daughter Gina Rinehart. Unlike Gina, who was more astute and effective than her father, Lang gambled and rode his luck in his failure to develop his own iron ore mine; his miscalculated scheme to borrow millions from banks and lend the same funds to other banks; his inadequately priced and costed arrangements to trade iron ore with the Romanian government; and his fruitless efforts to break the bargaining power of the Japanese steel cartel.

On his death in 1992, Lang's estate was more or less bankrupt and his business interests were in a shambles. However, under Gina's leadership, by 2011, the Hancock Prospecting group of companies had developed the Hope Downs iron ore mine with Rio Tinto and had completed feasibility studies and partnerships on other iron ore and coal projects. With net worth of \$28 billion, Gina had become the richest Australian ever and in 2012 she had become the wealthiest woman in the world.

Unceasing public interest in and fascination with Gina has been due to amazement at her incredible affluence, to the affair and eventual marriage between her father and his Filipino house-keeper Rose Lacson, to Gina's controversial court battles with family members, to her being shown in and written about in newspapers, in magazines, on television, on internet sites and communication applications, and, indeed, to the publication of Adele Ferguson's biography itself, in the context of pervasive attention ranging from programs such as those on the ABC's *Four Corners* to the SBS series *Dirty Business*. More importantly, Ferguson's biography invites a wider and deeper reading of Gina's