

FULL CIRCLE

FROM BLANK SLATE TO SCORCHED EARTH

Would it not be easier

In that case for the government

To dissolve the people

And elect another?

—Bertolt Brecht, “The Solution,” 1953¹

Iraq is the last great frontier in the Middle East. . . . In Iraq, 80 per cent of the oil wells ever drilled have been discoveries.

—David Horgan, chief executive of the Irish oil company Petrel, January 2007²

Is it possible that the Bush administration was unaware that its economic program had the potential to spark a violent backlash in Iraq? One person likely to have been aware of possible negative consequences was the man who implemented the policies, Paul Bremer. In November 2001, shortly after he had launched his new counter-terrorism company, Crisis Consulting Practice, Bremer wrote a policy paper for his clients explaining why multinational corporations faced increased risks of terrorist attacks at home and abroad. In the paper, titled “New Risks in International Business,” he told his elite clients that they faced increased dangers because of the economic model that had made them so wealthy. Free trade, he wrote, has led to “the creation of unprecedented wealth,” but it has “immediate negative consequences for many.” It “requires laying off workers. And opening markets to foreign trade puts enormous pressure on traditional retailers and trade

monopolies.” All these changes lead to “growing income gaps and social tensions,” which in turn can lead to a range of attacks on U.S. firms, including terrorist attacks.³

That certainly is what happened in Iraq. If the war’s architects convinced themselves that there would be no political blowback from their economic program, it was probably not because they believed Iraqis would actively consent to such policies of systematic dispossession. Rather, the war planners were banking on something else—the disorientation of Iraqis, their collective regression, their inability to keep up with the pace of transformation. They were banking, in other words, on the power of shock. The guiding assumption of Iraq’s military and economic shock therapists, best articulated by the former deputy secretary of state Richard Armitage, was that Iraqis would be so stunned by U.S. firepower, and so relieved to be rid of Saddam, “that they could be easily marshaled from point A to point B.”⁴ Then, after a few months, they would emerge from their postwar daze, pleasantly surprised to be living in an Arabic Singapore, a “Tiger on the Tigris,” as some market analysts were excitedly calling it.

Instead, a great many Iraqis immediately demanded a say in the transformation of their country. And it was the Bush administration’s response to this unexpected turn of events that generated the most blowback of all.

Dismantling Democracy

In the summer after Iraq’s invasion, there was so much pent-up hunger for political participation that Baghdad, for all its daily hardships, displayed an almost carnival-like atmosphere. There was anger at Bremer’s layoffs, and frustration with the blackouts and the foreign contractors, but for months that anger was primarily expressed through outbursts of unregulated, exuberant free speech. All summer there were daily protests outside the gates of the Green Zone, many by workers demanding their old jobs back. Hundreds of new newspapers flew off printing presses, filled with articles critical of Bremer and his economic program. Clerics preached politics during the Friday sermons, a freedom impossible under Saddam.

Most exciting of all, there were spontaneous elections breaking out in cities, towns and provinces across the country. Finally free of Saddam’s iron grip, neighbors were convening town hall meetings and electing leaders to represent them in this new era. In cities like Samarra, Hilla and Mosul, religious leaders, secular professionals and tribespeople worked together to

set local priorities for reconstruction, defying the worst predictions about sectarianism and fundamentalism. Meetings were heated, but by many accounts they were also joyous: the challenges were enormous but freedom was becoming a reality. In many cases, U.S. forces, believing their president when he said the army had been sent to Iraq to spread democracy, played a facilitating role, helping to organize the elections, even building ballot boxes.

The democratic enthusiasm, combined with the clear rejection of Bremer's economic program, put the Bush administration in an extremely difficult position. It had made bold promises to hand over power to an elected Iraqi government in a matter of months and to include Iraqis in decision making right away. But that first summer left no doubt that any relinquishing of power would mean abandoning the dream of turning Iraq into a model privatized economy dotted with sprawling U.S. military bases; economic nationalism was far too deeply ingrained in the populace, particularly when it came to the national oil reserves, the greatest prize of all. So Washington abandoned its democratic promises and instead ordered increases in the shock levels in the hope that a higher dosage would finally do the trick. It was a decision that brought the crusade for a pure free market back full circle to its roots in the Southern Cone of Latin America, when economic shock therapy was enforced by brutally suppressing democracy and by disappearing and torturing anyone who stood in the way.

When Paul Bremer first arrived, the U.S. plan was to convene a large constituent assembly, representing all sectors of Iraqi society, where delegates would vote for the members of an interim executive council. After spending two weeks in Baghdad, Bremer scrapped the idea. Instead, he decided to handpick the members of an Iraqi Governing Council. In a message to President Bush, Bremer described his process for selecting the Iraqi members of the council as "a cross between blind man's bluff and three-dimensional tic-tac-toe."⁵

Bremer had said that the council would have governing power, but once again he changed his mind. "My experience with the Governing Council at this point suggested this would not be a great idea," the former envoy later said, explaining that the council members were too slow and deliberative—traits unsuitable for his shock therapy plans. "They couldn't organize a two-car parade," Bremer said. "They were simply not able to make decisions in a timely fashion, or any decisions. Moreover, I still felt very strongly about the

importance of getting a constitution in place before we handed sovereignty to anybody."⁶

Bremer's next problem was the elections breaking out in towns and cities across the country. At the end of June, only his second month in Iraq, Bremer sent word that all local elections must stop immediately. The new plan was for Iraq's local leaders to be appointed by the occupation, just as the Governing Council had been. A defining showdown took place in Najaf, the holiest city for Iraq's Shia, the largest religious denomination in the country. Najaf was in the process of organizing citywide elections with the help of U.S. troops when, only one day before registration, the lieutenant colonel in charge got a call from Marine Major General Jim Mattis. "The election had to be canceled. Bremer was concerned that an unfriendly Islamic candidate would prevail. . . . Bremer would not allow the wrong guy to win the election. The Marines were advised to select a group of Iraqis they thought were safe and have them pick a mayor. That was how the United States would control the process," wrote Michael Gordon and General Bernard Trainor, the authors of *Cobra II*, regarded as the definitive military history of the invasion. In the end, the U.S. military appointed a Saddam-era army colonel as Najaf's mayor, as they did in cities and towns across the country.*⁷

In some cases, Bremer's ban came after Iraqis had already voted in elections for local representatives. Undaunted, Bremer ordered the creation of new councils. In the province of Taji, RTI, the Mormon-dominated contractor tasked with building local government, dismantled the council that local people had elected months before it arrived and insisted on starting from scratch. "We feel we are going backwards," one man complained. Bremer insisted that there was "no blanket prohibition" against democracy. "I'm not opposed to it, but I want to do it a way that takes care of our concerns. . . . Elections that are held too early can be destructive. It's got to be done very carefully."⁸

At that point, Iraqis were still expecting Washington to make good on its promise to organize national elections and hand over power directly to a government elected by the majority of citizens. But in November 2003, after he canceled local elections, Bremer flew back to Washington for huddled meetings at the White House. When he returned to Baghdad, he announced

* This was one of the reasons why "de-Baathification" inspired such rage: while low-level soldiers had all lost their jobs, along with teachers and doctors who had been required to join the party in order to advance professionally, top-level Baathist military officials, well known for their human rights abuses, were being enlisted to bring order to the cities and towns.

that general elections were off the table. Iraq's first "sovereign" government would be appointed, not elected.

The about-turn may well have had something to do with a poll, conducted in this period by the Washington-based International Republican Institute. It asked Iraqis what kind of politicians they would vote for if they had the chance. The results were a wake-up call for the Green Zone corporatists: 49 percent of Iraqi respondents said they would vote for a party promising to create "more government jobs." Asked if they would vote for a party promising to create "more private sector jobs," only 4.6 percent said yes. Asked if they would vote for a party promising to "keep coalition forces until security is good," only 4.2 percent said they would.⁹ Put simply, if Iraqis were allowed to freely elect the next government, and if that government had real power, Washington would have to give up on two of the war's main goals: access to Iraq for U.S. military bases and full access to Iraq for U.S. multinationals.

Some critics of the neocon wing of the Bush regime fault its Iraq plan for relying too heavily on democracy, for displaying a wide-eyed faith in self-determination. Airbrushed from this narrative is the actual track record of the entire first year of occupation, when Bremer cut down democracy wherever it reared its hydra head. Within his first six months in the job, he had canceled a constituent assembly, nixed the idea of electing the drafters of the constitution, annulled and called off dozens of local and provincial elections and then vanquished the beast of national elections—hardly the actions of an idealistic democrat. And not one of the high-profile neocons who now blame the problems in Iraq on the absence of "an Iraqi face" supported the calls for direct elections coming from the streets of Baghdad and Basra.

Many who were posted in Iraq in the early months draw a direct link between the various decisions to delay and defang democracy and the ferocious rise of the armed resistance. Salim Lone, a UN diplomat who was in Iraq after the invasion, saw the pivotal moment as Bremer's first antidemocratic decision. "The first devastating attacks on the foreign presence in Iraq, for example, came soon after the United States selected in July 2003 the first Iraqi leadership body, the Iraqi Governing Council: The Jordanian mission and then, soon after, the UN's Baghdad headquarters were blown up, killing scores of innocents . . . the anger over the composition of this council, and for UN support for it, was palpable in Iraq." Lone lost many friends and colleagues in the attack.¹⁰

Bremer's canceling of national elections was a bitter betrayal for Iraq's Shia. As the largest ethnic group, they were certain to dominate an elected

government after decades of subjugation. At first, Shia resistance took the form of massive peaceful demonstrations: 100,000 protesters in Baghdad, 30,000 in Basra. Their unified chant was "Yes, yes, elections. No, no selections." "Our main demand in this process is to establish all the constitutional institutions through elections and not appointments," wrote Ali Abdel Hakim al-Safi, the second most senior Shia cleric in Iraq, in a letter to George Bush and Tony Blair. He declared Bremer's new plan "nothing other than replacing one dictatorship with another" and warned that if they went ahead with it, they would find themselves fighting a losing battle.¹¹ Bush and Blair were unmoved—they praised the demonstrations as evidence of freedom's flowering but bulldozed ahead with the plan to appoint Iraq's first post-Saddam government.

It was at this juncture that Moqtada al-Sadr became a political force to be reckoned with. When the other main Shia parties decided to participate in the appointed government and to abide by an interim constitution that was written inside the Green Zone, al-Sadr broke ranks, denouncing the process and the constitution as illegitimate and openly comparing Bremer to Saddam Hussein. He also started building up the Mahdi Army in earnest. After peaceful protests had no effect, many Shia became convinced that if majority-rule democracy was ever to become a reality, they would have to fight for it.

Had the Bush administration kept its promise to hand over power quickly to an elected Iraqi government, there is every chance that the resistance would have remained small and containable, rather than becoming a countrywide rebellion. But keeping that promise would have meant sacrificing the economic agenda behind the war, something that was never going to happen—and that is why the violent repercussions of America's denial of democracy in Iraq must also be counted as a form of ideological blowback.

Body Shocks

As resistance mounted, the occupation forces fought back with escalating shock tactics. These came late at night or very early in the morning, with soldiers bursting through doors, shining flashlights into darkened homes, shouting in English (a few words are understood: "motherfucker," "Ali Baba," "Osama bin Laden"). Women reached frantically for scarves to cover their heads in front of intruding strangers; men's heads were forcibly bagged before they were thrown into army trucks and sped to prisons and holding

camps. In the first three and half years of occupation, an estimated 61,500 Iraqis were captured and imprisoned by U.S. forces, usually with methods designed to “maximize capture shock.” Roughly 19,000 remained in custody in the spring of 2007.¹² Inside the prisons, more shocks followed: buckets of freezing water; snarling, teeth-baring German shepherds; punching and kicking; and sometimes the shock of electrical currents running from live wires.

Three decades earlier, the neoliberal crusade had begun with tactics like these—with so-called subversives and alleged terrorists grabbed from their homes, blindfolded and hooded, taken to dark cells where they faced beatings and worse. Now, to defend the hope of a model free market in Iraq, the project had come full circle.

One factor that made the surge in torture tactics all but inevitable was Donald Rumsfeld’s determination to run the military like a modern, outsourced corporation. He had planned the troop deployment less like a defense secretary and more like a Wal-Mart vice president looking to shave a few more hours from the payroll. Having whittled the generals down from their early requests for 500,000 troops to fewer than 200,000, he still saw fat to trim: at the last minute, satisfying his inner CEO, he cut tens of thousands more troops from the battle plans.¹³

Although his just-in-time forces were capable of toppling Saddam, they had no hope of handling what Bremer’s edicts created in Iraq—a population in open rebellion and a gaping hole where Iraq’s army and police used to be. Lacking the numbers to bring control to the streets, the occupation forces did the next best thing: they scooped the people off the streets and put them in the jails. The thousands of prisoners rounded up in the raids were brought to CIA agents, U.S. soldiers and private contractors—many of them untrained—who conducted aggressive interrogations to find out whatever they could about the resistance.

In the early days of the occupation, the Green Zone had played host to economic shock therapists from Poland and Russia; now it became a magnet for a different breed of shock experts, those specializing in the darker arts of suppressing resistance movements. The private security companies padded their ranks with veterans of the dirty wars in Colombia, South Africa and Nepal. According to journalist Jeremy Seahill, Blackwater and other private security firms hired more than seven hundred Chilean troops—many of them special forces operators—for Iraq deployment, some of whom had trained and served under Pinochet.¹⁴

One of the highest-ranking shock specialists was the U.S. commander James Steele, who arrived in Iraq in May 2003. Steele had been a key figure in Central America’s right-wing crusades, where he had served as chief U.S. adviser to several Salvadoran army battalions accused of being death squads. More recently, he had been a vice president at Enron and had originally gone to Iraq as an energy consultant, but when the resistance rose up, he switched back to his old persona, becoming Bremer’s chief security adviser. Steele was eventually directed to bring to Iraq what unnamed sources at the Pentagon were chillingly calling “the Salvador option.”¹⁵

John Sifton, senior researcher at Human Rights Watch, told me that the abuse of prisoners in Iraq did not fit the usual pattern. Usually in conflict zones, abuses take place early on, in the so-called fog of war, when the battlefield is chaotic and no one knows the rules. That’s what happened in Afghanistan, Sifton said, “but Iraq was different—things started off professional and then they got worse, not better.” He dates the shift to late August 2003—four months after Baghdad fell. It was at that point, he says, that the reports of abuse began streaming in.

According to this timeline, the shock of the torture chamber emerged immediately following Bremer’s most controversial economic shocks. Late August was the end of Bremer’s long summer of lawmaking and election canceling. As those moves sent ever more recruits to the resistance, U.S. soldiers were sent to break down doors and try to shake the defiance out of Iraq, one military-age man at a time.

The timing of this shift can be clearly tracked through a series of declassified documents that came to light in the wake of the Abu Ghraib scandal. The paper trail begins on August 14, 2003, when Captain William Ponce, an intelligence officer at the top U.S. military headquarters in Iraq, sent an e-mail to his fellow officers stationed around the country. It contained the now notorious statement: “The gloves are coming off gentlemen regarding these detainees . . . [a colonel] has made it clear that we want these individuals broken. Casualties are mounting and we need to start gathering info to help protect our fellow soldiers from any further attacks.” Ponce solicited ideas for the techniques that interrogators would like to use on prisoners—what he called a “wish list.” Suggestions came shooting back into his inbox, including “low-voltage electrocution.”¹⁶

Two weeks later, on August 31, Major General Geoffrey Miller, warden of the Guantánamo Bay prison, was brought to Iraq on his mission to “Gitmoize” the Abu Ghraib prison.¹⁷ Two weeks after that, on September 14,

Lieutenant General Ricardo Sanchez, top commander in Iraq, authorized a wide range of new interrogation procedures based on the Guantánamo model, including deliberate humiliation (called “pride and ego down”), “exploit[ing] Arab fear of dogs,” sensory deprivation (called “light control”), sensory overload (yelling, loud music) and “stress positions.” It was shortly after the Sanchez memo was sent out, in early October, that the incidents documented in the infamous Abu Ghraib photographs took place.¹⁸

The Bush team had failed to shock Iraqis into obedience either with Shock and Awe or with economic shock therapy. Now the shock tactics became more personal, using the *Kubark* interrogation manual’s unmistakable formula for inducing regression.

Many of the most important prisoners were taken to a secured area near the Baghdad International Airport, run by a military task force and the CIA. Accessible only by special ID and kept hidden from the Red Cross, the facility was so clandestine that even high-level military officials were denied entry. To maintain its cover it repeatedly changed names—from Task Force 20 to 121 to 6-26 to Task Force 145.¹⁹

Prisoners were held in a small generic building, designed to create the textbook *Kubark* conditions, including complete sensory deprivation. The building was divided into five areas: a medical exam room, a “soft room” that looked like a living room (for co-operative prisoners), a red room, a blue room and the much-feared black room—a small cell with every surface painted black and speakers in all four corners.

The existence of the secret facility became public only when a sergeant who worked there, using the pseudonym Jeff Perry, approached Human Rights Watch to describe this strange place. Compared with the bedlam of Abu Ghraib, with its untrained guards mostly making it up as they went along, the CIA’s airport facility was spookily ordered and clinical. According to Perry, when interrogators wanted to use “harsh tactics” against prisoners in the black room, they went to a computer terminal and printed out a form that was a kind of torture menu. “It was all already typed out for you,” Perry recalled, “environmental controls, hot and cold, you know, strobe lights, music, so forth. Working dogs . . . you would just check what you want to use off.” When they completed the forms, the interrogators took them to a superior officer for authorization. “I never saw a sheet that wasn’t signed,” Perry said.

He and other interrogators became concerned that the techniques violated the Geneva Conventions’ prohibition against “humiliating and degrading treatment.” Worried that they could face prosecution if their work ever

became public, Perry and three others confronted their colonel and “told him we were uneasy about this type of abuse.” The secret prison was so efficient that within two hours, a team of military lawyers descended on the facility with a PowerPoint presentation on why the detainees were not protected by the Geneva Conventions, and why sensory deprivation—despite the CIA’s own research to the contrary—was not torture. “Oh, it was very fast,” Perry said of the response time. “It was like they were ready. I mean they had this two hour slide show all prepared.”

There were other facilities dotted around Iraq where prisoners were subjected to the same *Kubark*-style sensory deprivation tactics, some even more reminiscent of the McGill experiments all those years ago. Another sergeant told of a prison on a military base called Tiger, near al Qaim, close to the Syrian border, which held twenty to forty prisoners. They were blindfolded, shackled and put in sweltering hot metal shipping containers for twenty-four hours—“no sleep, no food, no water,” the sergeant reported. After they had been softened up by the sensory deprivation box, prisoners were blasted with strobe lights and heavy-metal music.²⁰

Similar methods were used at a Special Operations base near Tikrit—except that prisoners there were put in boxes even smaller: four feet by four feet and twenty inches deep, too small for an adult to stand or lie down, strongly reminiscent of many of the cells described in Latin America’s Southern Cone. They were kept in that extreme sensory isolation for up to a week. At least one of the prisoners also reported being electrocuted by U.S. soldiers, though the soldiers denied it.²¹ There is, however, a significant and little discussed body of evidence suggesting that U.S. soldiers have indeed used electrocution as a torture technique in Iraq. On May 14, 2004, in a case that received almost no publicity, two Marines were sentenced to prison for electrocuting an Iraqi prisoner one month earlier. According to government documents obtained by the American Civil Liberties Union, one soldier “shock[ed] an Iraqi detainee with an electric transformer . . . held the wires against the shoulder area of the detainee” until “the detainee ‘danced’ as he was shocked.”²²

When the infamous Abu Ghraib photographs were published, including the one of a hooded prisoner standing on a box with electrical wires dangling from his arms, the military had a strange problem: “We have had several detainees claim they were the person depicted in the photograph in question,” explained the spokesperson for the Army’s Criminal Investigation Command, the agency charged with investigating prisoner abuse. One of

those detainees was Haj Ali, a former district mayor. Ali said that he too had been hooded, made to stand on a box and had electrical wires attached to his body parts. But, contradicting the accounts of the guards at Abu Ghraib who claimed the wires were not live, Ali told PBS, "When they shocked me with electricity, it felt like my eyeballs were coming out of their sockets."²³

Like thousands of his fellow prisoners, Ali was released from Abu Ghraib without charge, pushed off a truck after being told "You were arrested by mistake." The Red Cross has said that U.S. military officials have admitted that somewhere between 70 and 90 percent of the detentions in Iraq were "mistakes." According to Ali, many of those human errors emerged from U.S.-run jails looking for revenge. "Abu Ghraib is a breeding ground for insurgents. . . . All the insults and torture make them ready to do just about anything. Who can blame them?"²⁴

Many U.S. soldiers understand and fear this response. "If he's a good guy, you know, now he's a bad guy because of the way we treated him," said a sergeant with the 82nd Airborne, who had been stationed at a particularly brutal makeshift prison on a U.S. army base outside Fallujah, home to a battalion proudly known as the "Murderous Maniacs."²⁵

The situation is far worse in jails run by Iraqis. Saddam had always relied heavily on torture to hold on to power. If torture was to recede in post-Saddam Iraq, it would have required a focused effort to repudiate such tactics on the part of a new government. Instead, the U.S. embraced torture for its own purposes, setting a degraded standard at the very time it was training and supervising the new Iraqi police force.

In January 2005, Human Rights Watch found that torture within Iraqi-run (and U.S.-supervised) jails and detention facilities was "systematic," including the use of electroshock. An internal report from the 1st Cavalry Division states that "electrical shock and choking" are "consistently used to achieve confessions" by Iraqi police and soldiers. Iraqi jailers were also using the ubiquitous symbol of Latin American torture, the *picana*, the electric cattle prod. In December 2006, *The New York Times* reported on the case of Faraj Mahmoud, who "was stripped and hanged from the ceiling. An electric prod applied to his genitals made his body bounce off the walls, he said."²⁶

In March 2005, *The New York Times Magazine* reporter Peter Maass was embedded with a Special Police Commando unit that had been trained by James Steele. Maass visited a public library in Samarra that had been converted into a macabre prison. Inside, he saw blindfolded and shackled

prisoners, some beaten bloody, as well as a desk with "bloodstains running down its side." He heard vomiting and screams that he described as "chilling, like the screams of a madman, or of someone being driven mad." He also clearly heard the sound of two gunshots "from within or behind the detention center."²⁷

In El Salvador, death squads were notorious for using murder not just to get rid of political opponents but to send messages of terror to the broader public. Mutilated bodies that appeared on roadsides told the wider community that if individuals stepped out of line, they could be the next corpse. Often the tortured bodies were left with a sign bearing the signature of the death squad: Mano Blanco or Maximiliano Hernandez Brigade. By 2005, these sorts of messages had become a regular sight on roadsides in Iraq: prisoners, last seen in the custody of Iraqi commandos who were usually linked to the Ministry of Interior, found with a single bullet hole in the head, hands still cuffed behind their backs, or with holes in the skull made by electric drills. In November 2005, the *Los Angeles Times* reported that at the Baghdad morgue, "dozens of bodies arrive at the same time on a weekly basis, including scores of corpses with wrists bound by police handcuffs." Often the morgues kept the metal cuffs and returned them to the police.²⁸

In Iraq, there are also more high-tech ways of conveying messages of terror. *Terrorism in the Grip of Justice* is a widely watched TV show on the U.S.-funded Al Iraqiya network. The series is produced in conjunction with the Salvadorized Iraqi commandos. Several released prisoners have explained how the show's content is produced: detainees, often grabbed at random in neighborhood sweeps, are beaten and tortured, and threats are made against their families until they are ready to confess to any crime—even crimes that lawyers have proved never took place. Then the video cameras come out to record the prisoners "confessing" to being insurgents, as well as thieves, homosexuals and liars. Every night, Iraqis watch these confessions, coming from the bruised and swollen faces of the unmistakably tortured. "The show has a good effect on civilians," Adnan Thabit, leader of the Salvadorized commandos, told Maass.²⁹

Ten months after "the Salvador option" was first mentioned in the press, its full terrifying implications became clear. The Iraqi commandos, originally trained by Steele, were officially working under Iraq's Ministry of the Interior, which had insisted, when Maass questioned them about what he had seen in the library, that it "does not allow any human rights abuses of prisoners that are in the hands of Ministry of Interior Security Forces." But in

November 2005, 173 Iraqis were discovered in an Interior Ministry dungeon, some tortured so badly that their skin was falling off, others with drill marks in their skulls and teeth and toenails removed. The released prisoners said that not everyone made it out alive. They compiled a list of 18 people who had been tortured to death inside the ministry dungeon—Iraq's disappeared.³⁰

When I was researching Ewen Cameron's electroshock experiments in the 1950s, I came across an observation made by one of his colleagues, a psychiatrist named Fred Lowy. "The Freudians had developed all these subtle methods of peeling the onion to get at the heart of the problem," he said. "Cameron wanted to drill right through and to hell with the layers. But, as we later discovered, the layers are all there is."³¹ Cameron thought he could blast away all his patients' layers and start again; he dreamed of creating brand-new personalities. But his patients weren't reborn: they were confused, injured, broken.

Iraq's shock therapists blasted away at the layers too, seeking that elusive blank slate on which to create their new model country. They found only the piles of rubble that they themselves had created, and millions of psychologically and physically shattered people—shattered by Saddam, shattered by war, shattered by one another. Bush's in-house disaster capitalists didn't wipe Iraq clean, they just stirred it up. Rather than a *tabula rasa*, purified of history, they found ancient feuds, brought to the surface to merge with fresh vendettas from each new attack—on a mosque in Karbala, in Samarra, on a market, a ministry, a hospital. Countries, like people, don't reboot to zero with a good shock; they just break and keep on breaking.

Which of course requires more blasting—upping the dosage, holding down the button longer, more pain, more bombs, more torture. Former deputy secretary of state Richard Armitage, who had predicted that Iraqis would be easily marshaled from A to B, has since concluded that the real problem was that the U.S. was too soft. "The humane way in which the coalition fought the war," he said, "actually has led to a situation where it is more difficult to get people to come together, not less. In Germany and Japan [after the Second World War], the population was exhausted and deeply shocked by what had happened, but in Iraq it's been the opposite. A very rapid victory over enemy forces has meant we've not had the cowed population we had in Japan and Germany. . . . The US is dealing with an Iraqi population that is un-shocked and un-awed."³² By January 2007, Bush

and his advisers were still convinced that they could gain control of Iraq with one good "surge," one that wiped out Moqtada al-Sadr—"a cancer that undermines" the Iraq government. The report on which the surge strategy was based aimed for "the successful clearing of central Baghdad" and, when al-Sadr's forces moved to Sadr City, to "clear that Shiite stronghold by force" as well.³³

In the seventies, when the corporatist crusade began, it used tactics that courts ruled were overtly genocidal: the deliberate erasure of a segment of the population. In Iraq, something even more monstrous has happened—the erasure not of a segment of the population but of an entire country; Iraq is disappearing, disintegrating. It began, as it often does, with the disappearance of women behind veils and doors, then the children disappeared from the schools—as of 2006, two-thirds of them stayed home. Next came the professionals: doctors, professors, entrepreneurs, scientists, pharmacists, judges, lawyers. An estimated three hundred Iraqi academics have been assassinated by death squads since the U.S. invasion, including several deans of departments; thousands more have fled. Doctors have fared even worse: by February 2007, an estimated two thousand had been killed and twelve thousand had fled. In November 2006, the UN High Commission for Refugees estimated that three thousand Iraqis were fleeing the country every day. By April 2007, the organization reported that four million people had been forced to leave their homes—roughly one in seven Iraqis. Only a few hundred of those refugees had been welcomed into the United States.³⁴

With Iraqi industry all but collapsed, one of the only local businesses booming is kidnapping. Over just three and a half months in early 2006, nearly twenty thousand people were kidnapped in Iraq. The only time the international media pays attention is when a Westerner is taken, but the vast majority of abductions are Iraqi professionals, grabbed as they travel to and from work. Their families either come up with tens of thousands in U.S. dollars for the ransom money or identify their bodies at the morgue. Torture has also emerged as a thriving industry. Human rights groups have documented numerous cases of Iraqi police demanding thousands of dollars from the families of prisoners in exchange for a halt to torture.³⁵ It's Iraq's own domestic version of disaster capitalism.

This was not what the Bush administration intended for Iraq when it was selected as the model nation for the rest of the Arab world. The occupation had begun with cheerful talk of clean slates and fresh starts. It didn't take long, however, for the quest for cleanliness to slip into talk of "pulling Islamism up

from the root” in Sadr City or Najaf and removing “the cancer of radical Islam” from Fallujah and Ramadi—what was not clean would be scrubbed out by force.

That is what happens with projects to build model societies in other people’s countries. The cleansing campaigns are rarely premeditated. It is only when the people who live on the land refuse to abandon their past that the dream of the clean slate morphs into its doppelgänger, the scorched earth—only then that the dream of total creation morphs into a campaign of total destruction.

The unanticipated violence that now engulfs Iraq is the creation of the lethally optimistic architects of the war—it was preordained in that original seemingly innocuous, even idealistic phrase: “a model for a new Middle East.” The disintegration of Iraq has its roots in the ideology that demanded a tabula rasa on which to write its new story. And when no such pristine tableau presented itself, the supporters of that ideology proceeded to blast and surge and blast again in the hope of reaching that promised land.

Failure: The New Face of Success

On my flight leaving Baghdad, every seat was filled by a foreign contractor fleeing the violence. It was April 2004, and both Fallujah and Najaf were under siege; fifteen hundred contractors pulled out of Iraq that week alone. Many more would follow. At the time, I was convinced that we were seeing the first full-blown defeat of the corporatist crusade. Iraq had been blasted with every shock weapon short of a nuclear bomb, and yet nothing could subdue this country. The experiment, clearly, had failed.

Now I’m not sure. On one level, there is no question that parts of the project were a disaster. Bremer was sent to Iraq to build a corporate utopia; instead, Iraq became a ghoulish dystopia where going to a simple business meeting could get you lynched, burned alive or beheaded. By May 2007, more than 900 contractors had been reported killed and “more than 12,000 wounded in battle or injured on the job,” according to a *New York Times* analysis. The investors Bremer had done so much to attract had never shown up—not HSBC, or Procter & Gamble, which put its joint venture on hold, as did General Motors. New Bridge Strategies, the company that had gushed about how “a Wal-Mart could take over the country,” conceded that “McDonald’s is not opening any time soon.”³⁶ Bechtel’s reconstruction contracts did not roll easily into long-term contracts to run the water and electricity

systems. And by late 2006, the privatized reconstruction efforts that were at the center of the anti-Marshall Plan had almost all been abandoned on the ground—and some rather dramatic policy reversals were in evidence.

Stuart Bowen, U.S. special inspector general for Iraq reconstruction, reported that in the few cases where contracts were awarded directly to Iraqi firms, “it was more efficient and cheaper. And it has energized the economy because it puts the Iraqis to work.” It turns out that funding Iraqis to rebuild their own country is more efficient than hiring lumbering multinationals who don’t know the country or the language, surround themselves with \$900-a-day mercenaries and spend as much as 55 percent of their contract budgets on overhead.³⁷ Jon C. Bowersox, who worked as the health adviser at the U.S. embassy in Baghdad, offered this radical observation: the problem with Iraq’s reconstruction, he said, was its desire to build everything from scratch. “We could have gone in and done low-cost rehabs, and not tried to transform their health-care system in two years.”³⁸

An even more dramatic about-face came from the Pentagon. In December 2006, it announced a new project to get Iraq’s state-owned factories up and running—the same ones that Bremer had refused to supply with emergency generators because they were Stalinist throwbacks. Now the Pentagon realized that instead of buying cement and machine parts from Jordan and Kuwait, it could be purchasing them from languishing Iraqi factories, putting tens of thousands to work and sending revenue to surrounding communities. Paul Brinkley, U.S. deputy undersecretary of defense for business transformation in Iraq, said, “We’ve looked at some of these factories more closely and found they aren’t quite the rundown Soviet-era enterprises we thought they were”—though he did admit that some of his colleagues had begun calling him a Stalinist.³⁹

Army Lieutenant General Peter W. Chiarelli, the top U.S. field commander in Iraq, explained that “we need to put the angry young men to work. . . . A relatively small decrease in unemployment would have a very serious effect on the level of sectarian killing going on.” He couldn’t help adding, “I find it unbelievable after four years that we haven’t come to that realization. . . . To me, it’s huge. It’s as important as just about any other part of the campaign plan.”⁴⁰

Do these about-faces signal the death of disaster capitalism? Hardly. By the time U.S. officials came to the realization that they didn’t need to rebuild a shiny new country from scratch, that it was more important to provide Iraqis with jobs and for their industry to share in the billions raised for

reconstruction, the money that would have financed such an undertaking had already been spent.

Meanwhile, in the midst of the wave of neo-Keynesian epiphanies, Iraq was hit with the boldest attempt at crisis exploitation yet. In December 2006, the bipartisan Iraq Study Group fronted by James Baker issued its long-awaited report. It called for the U.S. to “assist Iraqi leaders to reorganize the national oil industry as a commercial enterprise” and to “encourage investment in Iraq’s oil sector by the international community and by international energy companies.”⁴¹

Most of the Iraq Study Group’s recommendations were ignored by the White House, but not this one: the Bush administration immediately pushed ahead by helping to draft a radical new oil law for Iraq, which would allow companies like Shell and BP to sign thirty-year contracts in which they could keep a large share of Iraq’s oil profits, amounting to tens or even hundreds of billions of dollars—unheard of in countries with as much easily accessible oil as Iraq, and a sentence to perpetual poverty in a country where 95 percent of government revenues come from oil.⁴² This was a proposal so wildly unpopular that even Paul Bremer had not dared make it in the first year of occupation. Yet it was coming up now, thanks to deepening chaos. Explaining why it was justified for such a large percentage of the profits to leave Iraq, the oil companies cited the security risks. In other words, it was the disaster that made the radical proposed law possible.

Washington’s timing was extremely revealing. At the point when the law was pushed forward, Iraq was facing its most profound crisis to date: the country was being torn apart by sectarian conflict with an average of one thousand Iraqis killed every week. Saddam Hussein had just been put to death in a depraved and provocative episode. Simultaneously, Bush was unleashing his “surge” of troops in Iraq, operating with “less restricted” rules of engagement. Iraq in this period was far too volatile for the oil giants to make major investments, so there was no pressing need for a new law—except to use the chaos to bypass a public debate on the most contentious issue facing the country. Many elected Iraqi legislators said they had no idea that a new law was even being drafted, and had certainly not been included in shaping its outcome. Greg Muttitt, a researcher with the oil-watch group Platform, reported, “I was recently at a meeting of Iraqi MPs and asked them how many of them had seen the law. Out of 20, only one MP had seen it.” According to Muttitt, if the law was passed, Iraqis “would lose out massively because they don’t have the capacity at the moment to strike a good deal.”⁴³

Iraq’s main labor unions declared that “the privatization of oil is a red line that may not be crossed” and, in a joint statement, condemned the law as an attempt to seize Iraq’s “energy resources at a time when the Iraqi people are seeking to determine their own future while still under conditions of occupation.”⁴⁴ The law that was finally adopted by Iraq’s cabinet in February 2007 was even worse than anticipated: it placed no limits on the amount of profits that foreign companies can take from the country and made no specific requirements about how much or how little foreign investors would partner with Iraqi companies or hire Iraqis to work in the oil fields. Most brazenly, it excluded Iraq’s elected parliamentarians from having any say in the terms for future oil contracts. Instead, it created a new body, the Federal Oil and Gas Council, which, according to *The New York Times*, would be advised by “a panel of oil experts from inside and outside Iraq.” This unelected body, advised by unspecified foreigners, would have ultimate decision-making power on all oil matters, with the full authority to decide which contracts Iraq did and did not sign. In effect, the law called for Iraq’s publicly owned oil reserves, the country’s main source of revenues, to be exempted from democratic control and run instead by a powerful, wealthy oil dictatorship, which would exist alongside Iraq’s broken and ineffective government.⁴⁵

It’s hard to overstate the disgrace of this attempted resource grab. Iraq’s oil profits are the country’s only hope of financing its own reconstruction when some semblance of peace returns. To lay claim to that future wealth in a moment of national disintegration was disaster capitalism at its most shameless.

There was another, little discussed, consequence of the chaos in Iraq: the longer it wore on, the more privatized the foreign presence became, ultimately forging a new paradigm for the way wars are fought and how human catastrophes are responded to.

This is where the ideology of radical privatization at the heart of the anti-Marshall Plan paid off handsomely. The Bush administration’s steadfast refusal to staff the war in Iraq—whether with troops or with civilian administrators under its control—had some very clear benefits for its other war, the one to outsource the U.S. government. This crusade, while it ceased to be the subject of the administration’s public rhetoric, has remained a driving obsession behind the scenes, and it has been far more successful than all the administration’s more public battles combined.

Because Rumsfeld designed the war as a just-in-time invasion, with soldiers there to provide only core combat functions, and because he eliminated

fifty-five thousand jobs in the Department of Defense and the Department of Veterans Affairs in the first year of the Iraq deployment, the private sector was left to fill in the gaps at every level.⁴⁶ In practice, what this configuration meant was that, as Iraq spiraled into turmoil, an ever more elaborate privatized war industry took shape to prop up the bare-bones army—whether on the ground in Iraq or back home treating soldiers at the Walter Reed Medical Center.

Since Rumsfeld steadfastly rejected all solutions that required increasing the size of the army, the military had to find ways to get more soldiers into combat roles. Private security companies flooded into Iraq to perform functions that had previously been done by soldiers—providing security for top officials, guarding bases, escorting other contractors. Once they were there, their roles expanded further in response to the chaos. Blackwater's original contract in Iraq was to provide private security for Bremer, but a year into the occupation, it was engaging in all-out street combat. During the April 2004 uprising of Moqtada al-Sadr's movement in Najaf, Blackwater actually assumed command over active-duty U.S. marines in a daylight battle with the Mahdi Army, during which dozens of Iraqis were killed.⁴⁷

At the start of the occupation, there were an estimated ten thousand private soldiers in Iraq, already far more than during the first Gulf War. Three years later, a report by the U.S. Government Accountability Office found that there were forty-eight thousand private soldiers, from around the world, deployed in Iraq. Mercenaries represented the largest contingent of soldiers after the U.S. military—more than all the other members of the “Coalition of the Willing” combined. The “Baghdad boom,” as it was called in the financial press, took what was a frowned-upon, shadowy sector and fully incorporated it into the U.S. and U.K. war-fighting machines. Blackwater hired aggressive Washington lobbyists to erase the word “mercenary” from the public vocabulary and turn its company into an all-American brand. According to its CEO, Erik Prince, “This goes back to our corporate mantra: We're trying to do for the national security apparatus what FedEx did for the postal service.”⁴⁸

When the war moved inside the jails, the military was so short on trained interrogators and Arabic translators that it couldn't get information out of its new prisoners. Desperate for more interrogators and translators, it turned to the defense contractor CACI International Inc. In its original contract, CACI's role in Iraq was to provide information technology services to the military, but the wording of the work order was vague enough that “information

technology” could be stretched to mean interrogation.⁴⁹ The flexibility was intentional: CACI is part of a new breed of contractor that acts as a temp agency for the federal government—it has ongoing, loosely worded contracts and keeps large numbers of potential workers on call, ready to fill whatever positions come up. Calling CACI, whose workers did not need to meet the rigorous training and security clearances required of government employees, was as easy as ordering new office supplies; dozens of new interrogators arrived in a flash.*

The corporation that gained most from the chaos was Halliburton. Before the invasion, it had been awarded a contract to put out oil fires set by Saddam's retreating armies. When those fires did not materialize, Halliburton's contract was stretched to include a new function: providing fuel for the entire nation, a job so big that “it bought up every available tanker truck in Kuwait, and imported hundreds more.”⁵⁰ In the name of freeing up soldiers for the battlefield, Halliburton took on dozens more of the army's traditional functions, including maintaining army vehicles and radios.

Even recruiting, long since seen as the job of soldiers, rapidly became a for-profit business as the war wore on. By 2006, new soldiers were being recruited by private head-hunting firms such as Serco or a division of the weapons giant L-3 Communications. The private recruiters, many of whom had never served in the military, were paid bonuses every time they signed up a soldier, so, one company spokesperson bragged, “If you want to eat steak, you have to put people in the army.”⁵¹ Rumsfeld's reign also fueled a boom in outsourced training: companies such as Cubic Defense Applications and Blackwater ran soldiers through live combat training and war games, bringing them to privately owned training facilities, where they practiced house-to-house combat in simulated villages.

And thanks to Rumsfeld's privatization obsession, as he first suggested in his speech on September 10, 2001, when soldiers came home sick or suffering from posttraumatic stress, they were treated by private health care companies

* The catch is that the contractors were operating with little supervision. As the U.S. military's own investigation into the Abu Ghraib scandal concluded, the government officials in charge of overseeing the interrogators' performance were not even in Iraq, let alone in Abu Ghraib, making it “very difficult, if not impossible, to effectively administer a contract.” Army General George Fay, author of the report, concluded that the government's “interrogators, analysts, and leaders were unprepared for the arrival of contract interrogators and had no training to fall back on in the management, control, and discipline of these personnel. . . . It is apparent that there was no credible exercise of appropriate oversight of contract performance at Abu Ghraib.”

for whom the trauma-heavy war in Iraq generated windfall profits. One of these companies, Health Net, became the seventh-strongest performer in the Fortune 500 in 2005, owing largely to the number of traumatized soldiers returning from Iraq. Another was IAP Worldwide Services Inc., which won the contract to take over many of the services at the military hospital Walter Reed. The move to privatize the running of the medical center allegedly contributed to a shocking deterioration in maintenance and care, as more than a hundred skilled federal employees left the facility.⁵²

The greatly expanded role of private companies was never openly debated as a question of policy (much in the way Iraq's proposed oil law suddenly materialized). Rumsfeld did not have to engage in pitched battles with federal employees' unions or high-ranking generals. Instead, it all just happened on the fly in the field, in what the military describes as mission creep. The longer the war wore on, the more it became a privatized war, and soon enough, this was simply the new way of war. Crisis was the enabler of the boom, just as it had been for so many before.

The numbers tell the dramatic story of corporate mission creep. During the first Gulf War in 1991, there was one contractor for every hundred soldiers. At the start of the 2003 Iraq invasion, the ratio had jumped to one contractor for every ten soldiers. Three years into the U.S. occupation, the ratio had reached one to three. Less than a year later, with the occupation approaching its fourth year, there was one contractor for every 1.4 U.S. soldiers. But that figure includes only contractors working directly for the U.S. government, not for other coalition partners or the Iraqi government, and it doesn't account for the contractors based in Kuwait and Jordan who had farmed out their jobs to subcontractors.⁵³

British soldiers in Iraq are already far outnumbered by their countrymen working for private security firms at a ratio of three to one. When Tony Blair announced in February 2007 that he was pulling sixteen hundred soldiers out of Iraq, the press reported instantly that "civil servants hope 'mercenaries' can help fill the gap left behind," with the companies paid directly by the British government. At the same time, the Associated Press put the number of contractors in Iraq at 120,000, almost equivalent to the number of U.S. troops.⁵⁴ In scale, this kind of privatized warfare has already overshadowed the United Nations. The UN's budget for peacekeeping in 2006–2007 was \$5.25 billion—that's less than a quarter of the \$20 billion Halliburton got in Iraq contracts, and the latest estimates are that the mercenary industry alone is worth \$4 billion.⁵⁵

So while the reconstruction of Iraq was certainly a failure for Iraqis and for U.S. taxpayers, it has been anything but for the disaster capitalism complex. Made possible by the September 11 attacks, the war in Iraq represented nothing less than the violent birth of a new economy. This was the genius of Rumsfeld's "transformation" plan: since every possible aspect of both destruction and reconstruction has been outsourced and privatized, there's an economic boom when the bombs start falling, when they stop and when they start up again—a closed profit-loop of destruction and reconstruction, of tearing down and building up. For companies that are clever and farsighted, like Halliburton and the Carlyle Group, the destroyers and rebuilders are different divisions of the same corporations.*⁵⁶

The Bush administration has taken several important and little-examined measures to institutionalize the privatized warfare model forged in Iraq, making it a permanent fixture of foreign policy. In July 2006, Bowen, the inspector general for Iraq reconstruction, issued a report on "lessons learned" from the various contractor debacles. It concluded that the problems stemmed from insufficient planning and called for the creation of "a deployable reserve corps of contracting personnel who are trained to execute rapid relief and reconstruction contracting during contingency operations" and to "pre-qualify a diverse pool of contractors with expertise in specialized reconstruction areas"—in other words, a standing contractor army. In his 2007 State of the Union address, Bush championed the idea, announcing the creation of a brand-new civilian reserve corps. "Such a corps would function much like our military reserve. It would ease the burden on the Armed Forces by allowing us to hire civilians with critical skills to serve on missions abroad when America needs them," he said. "It would give people across America who do not wear the uniform a chance to serve in the defining struggle of our time."⁵⁷

A year and half into the Iraq occupation, the U.S. State Department launched a new branch: the Office of Reconstruction and Stabilization. On any given day, it is paying private contractors to draw up detailed plans to reconstruct twenty-five different countries that may, for one reason or another,

* Lockheed Martin has gone furthest in this direction. In early 2007, it began "buying companies in the \$1,000bn-a-year healthcare market," according to *The Financial Times*, and it also snapped up the engineering giant Pacific Architects and Engineers. The wave of acquisitions signified a new era of morbid vertical integration in the disaster capitalism complex: in future conflicts, Lockheed is poised to profit not only from making the weapons and fighter jets but from rebuilding what they destroy, and even from the treating the people injured by its own weapons.

find themselves the target of U.S.-sponsored destruction, from Venezuela to Iran. Corporations and consultants are lined up on “presigned contracts” so that they are ready to leap into action as soon as disaster strikes.⁵⁸ For the Bush administration, it was a natural evolution: after claiming it had a right to cause unlimited preemptive destruction, it then pioneered preemptive reconstruction—rebuilding places that have not yet been destroyed.

So in the end, the war in Iraq did create a model economy—it was just not the Tiger on the Tigris that the neocons had advertised. Instead, it was a model for privatized war and reconstruction—a model that quickly became export-ready. Until Iraq, the frontiers of the Chicago crusade had been bound by geography: Russia, Argentina, South Korea. Now a new frontier can open up wherever the next disaster strikes.

PART 7

THE MOVABLE GREEN ZONE

BUFFER ZONES AND BLAST WALLS

Because you are able to start new, you can start fundamentally at the leading edge, which is a very good thing. It is a privilege for you to have that opportunity, because there are other places that haven't had such systems or are burdened with systems that are a hundred or two hundred years old. In a way, this is an advantage for Afghanistan to start anew with the best ideas and the best technical knowledge.

—Paul O'Neill, U.S. Treasury secretary, November 2002, in postinvasion Kabul