

## Re: Iraq: an economic problem

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**From:** Les Cargill (*lcargill\_at\_bellsouth.net*)

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Mason A. Clark wrote:

> *On October 10, 2003 I posted the following. Now, nine months later,*  
> *it still looks right. Give the new "interim" Iraqi government that*  
> *\$18 billion. They should abrogate all debts of the criminal Hussein*  
> *government. \*They\* not us should spend the \$18 billion by putting*  
> *\*Iraqis\* to work rebuilding their infrastructure. Solve unemployment*  
> *and get the work done.*  
>  
> =====  
> *Quote:*  
>  
> *Show me I'm wrong.*  
>  
> *People (men) in Iraq are rioting for jobs. The whole army was sent*  
> *home jobless. The former police are mostly unemployed. The bureaucrats*  
> *who did the government are unemployed. Most of the electric and sewer*  
> *workers are unemployed.*  
>  
> *Why? The Iraqi government doesn't have money to hire them -- to put*  
> *them to useful work. They're forced to wait for U.S. money.*  
>  
> *Why? Because economic theory says the government musn't print*  
> *money because that would cause inflation.*  
>  
> *I say the hell with economic theory. The Iraqi government should*  
> *print (literally print) money -- as much as needed to put everybody to*  
> *work. Lord knows there's lots of work needing to be done and done*  
> *NOW -- before the Iraqi hell melts down*  
>

But doing this would simply replace the previous kleptocracy with another.

> *Of course there would be bad corruption. Of course some bad guys*  
> *would get themselves hired so as to cause bad trouble. But the*  
> *result would be far better than obeying bad economics theory.*  
>

sci.econ: Re: Iraq: an economic problem

Until you get a cultural shift towards respect for law and order, nothing else will make much difference.

I have heard reports ( from the Times reporter who calls into Charlie Rose on occassion ) that this idea is taking root.

Iraq will need significant levels of value added industry of some sort to compete globally. That will take a long time. It took a while in Japan, Germany, S. Korea and Vietnam.

> *Mason C*

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Les Cargill