



From The Wilderness

A Nonpartisan Non-sectarian MAP for the Here That Is, Into the Tomorrow of Our Own Making

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Persian Peril

(Part One)

by
Stan Goff

Is the Bush administration about to commit the fatal imperial error in Iran?

Saber-rattling Neocons are frightening the rest of the US elite.

[Just when the Bush administration seemed to have figured out that invading Iraq was a mistake, they tell us to expect the next act in their Axis of Evil Traveling Roadshow. Iran is the subject of the latest non-diplomatic broadsides, and the media are already buying ringside seats. So what is this thing called "Iran"? Which corporation manufactured it? Or is it one of those pre-American places where people wear funny costumes? These and other questions may or may not be explored in the briefing rooms of the Exceedingly White House. For the rest of us, a closer examination of the history of this ancient and culturally unique regional power may help explain the coming wave of imperial belligerence. FTW's military editor Stan Goff presents a highly useful narrative of Iran's place in modern geopolitics and asks, Is the Bush administration about to commit the fatal imperial error in Iran? -JAH]

The United States on Monday confirmed it had granted protected status to nearly 4,000 members of the People's Mujahadeen, Iran's main armed opposition group, now confined to a military-run camp in Iraq.

However, the State Department stressed that the move, which has drawn a warning from Tehran, had no effect on the US designation of the group -- also known as the Mujahadeen e Khalq (MEK) or National Council of Resistance of Iran -- as a "foreign terrorist organization."

-Agence France Presse, July 26, 2004

Contrary to an increasingly popular belief, imperialism is not new, and it is not being produced by the right-wing clique that runs the present administration. This is easy to believe because of the slightly crazed character of the neocons, but it is deceptive precisely because it is such an easy conclusion to reach.

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From the Wilderness

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Winds of Change

Troubled Waters Ahead for the Neo-Cons

by
Wayne Madsen

The Bush-Cheney campaign is racing toward November. But it isn't only running toward the raw power it loves. It's running away from the punishment it fears. In this late-breaking story, FTW's Wayne Madsen maps out the lines of force in the current Plame and Chalabi scandals, showing them to be nodes of interpersonal influence and compromise that may soon crack the administration in half. The neocons' dark alliance with the right wing of Israeli politics has brought them enormous power. But it's unstable power, vulnerable to legal sanction and due process at the right pressure points. As Watergate proved decades ago, even a dying legal infrastructure can still throw a few jabs once in a while - if the CIA wants it to. --JAH]

August 11, 2004 0800 PDT (FTW) - The winds that have favored the neo-cons and their political and financial masters since George W. Bush's ascension to power may now be turning against them at gale force strength. There is a reason why Richard Perle and his American Enterprise Institute (AEI) friends, including "Second Lady" Lynne Cheney and former Reagan National Security Council staffer Michael Ledeen, were uncomfortable when Iraq con man and Iraqi Governing Council member Ahmed Chalabi's offices in Baghdad were raided this past May by Iraqi police, FBI and CIA officers. The Baghdad money trail may soon lead to Washington, DC. The sinewy links between the neo-cons, Ariel Sharon's Likud government, and the Chalabis should be a definite cause for concern by some Bush administration officials, and particularly troubling for Mrs. Cheney, who reportedly sits upon a \$125,000 AEI fellowship funded by Likud Party interests.

The Chalabi files recovered by U.S. intelligence and law enforcement provided enough information for the FBI to begin a criminal investigation of a Baghdad-Jerusalem-Washington syndicate that is profiteering from America's misguided invasion and occupation of Iraq. The investigation led to shadowy Israeli-owned firms registered in Delaware and Panama that were fraudulently obtaining contracts and sub-contracts to provide everything from cellular phones and VIP security to the interrogation of Iraqi prisoners using seconded members of Israel's feared Unit 1391 "special techniques" interrogation center. Not only were these firms operating in Iraq with the concurrence of the neo-cons in the Pentagon but some U.S. government officials were personally benefiting from the contracts.

(Cont'd on page 7)

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In the past three weeks, Jimmy Carter's former national security advisor, Zbigniew Brzezinski, has been making the interview circuit to inaugurate a high level resistance to the apparent intent of the Bush administration to escalate - perhaps even to the point of armed aggression - its demonstrated hostility toward Iran.

The emerging fight between the "realists" and the neocons will only serve to further muddy the waters on the question of what the neocons are up to... and what the realists are up to as well.

The so-called 9/11 Commission report, that has shamelessly identified the wrong scoundrels (the intelligence agencies) for the September 11 attacks (since they are already the goats for Iraq intelligence "failures"), is a mirror image of the obfuscation now being generated by the realist-neocon debate. In every case, these public exchanges are designed to camouflage the real forces behind US policies.

The US already has a track record for regime change in Iran, when the CIA orchestrated a coup d'etat against Mohammed Mossdegh. Most political history buffs know this story, and the American Left is quick to cite it as a kind of passion play to demonstrate official hypocrisy on the question of democracy. But like many anecdotal accounts of history, this ignores a larger process and it obscures the relation of class forces that were the primary actors in many of these dramas.

This essay will try to trace not only the development of a uniquely US imperialism and the danger that system faces in the present conjuncture, amplified and accelerated by its engagement in Southwest Asia, but the interplay of Anglo-American relations throughout the 20th Century that accounts for the Bush-Blair relation we see today.

Iran is former Persia, and it is inhabited primarily by people who consider themselves Persians. This ethno-cultural group is to be specifically contrasted with Arabs, as I will explain. Persian civilization, like all "Old World" societies, underwent a series of often violent transformations that eventually led to a somewhat stable community that shared a language and a culture. Persians had their own religion, Zoroastrianism, which endured as the state religion until the mid 7th Century, when Arab armies swept over Persia and forced the conversion to Islam. Nevertheless, the Persians amalgamated their own distinct beliefs into Islam, creating a heterodox form of the religion as a cultural weapon against the oppressive Arab rulers. That form became Shia. And while the Persians adopted the Arabic script, they reclaimed their own language, an Indo-European tongue (related

to a wide range of languages from India to Ireland - including English) which we now call Farsi. In the 19th Century Great Britain established itself in Iran, when the venal Qajar monarchy parceled Iran out to foreign concessionaires at fire sale prices. The first British interest to gain a foothold there was the British Tobacco Company. The other great nation that coveted Iran was Russia, and it invaded Iran in 1826 seeking a warm water port to its south. In 1856, Great Britain attacked Iran and forced her to surrender what is now Afghanistan. Throughout the second half of the 19th Century, Great Britain and Russia would share Iran.

It was at the turn of the century, in 1900, that a British company would stake its claim on a comparatively minor commodity, the petroleum of Southwest Iran, which would in short order become the most important commodity in the world. That company was the Anglo-Persian Oil Company. The Russians had begun taking oil from the north, around Baku.

With the introduction of the automobile, the airplane, and mechanized warfare, by the time World War I broke out, Iran had captured the interest of all the Great Gamesmen. Russian and British interests converged in a combined struggle against the Ottoman Turks, who also shared a border with Iran and were equally covetous of Iranian oil.

In 1920, an Iranian cavalry officer, Reza Shah, led a rebellion against the Qajar dynasty, and five years later Reza crowned himself. This was troublesome but not critical to the British and the Russians... yet.

Between the two world wars, however, Reza opened up several new trade partnerships. One was with Germany. By the time World War II broke out, over half of Iran's trade was with Germany, now controlled by Hitler's Nazi Party. Reza had embarked on an industrialization program to more effectively exploit Iran's oil, and most of its new machinery was German.

Iran declared itself neutral in WWII, but the reality was that the British needed the oil, and the now-Soviet Union needed the warm water port and a rail line to receive supplies from the Americans and English, and both Stalin and Churchill had strong reasons to doubt the neutrality of Reza, so the British and the Soviets conducted a concurrent military occupation of Iran in 1941, that lasted through all of WWII.

This led to deep consternation in the United States, which, while allied with the Soviets and the British, had designs of its own - not the least of which was the British Empire itself. The US, as the dominant financial partner in the Allied enterprise, prevailed on Britain and the USSR to accept Reza's son (whom the British and

Soviets had themselves appointed as a figurehead) as the legitimate post-war ruler of Iran, and secured the promise of both occupiers that they would dismantle their military presence there upon cessation of hostilities.

The British left immediately after the war, and the suspicious Russians (for good reason, as it turned out) hung on until 1946, when they too departed.

The Roosevelt administration that oversaw the entry into World War II was a new government imbued with a new philosophy of capitalist imperial governance. It's important to digress for a moment to describe that philosophy, because it goes to the heart of the tension between the neocons and the realists today.

From 1860 until 1933, the Republican Party dominated American politics. This was a period of the rapid expansion of national capitalism. The Civil War not only broke the political power of the formerly predominant slaveholding South, it engendered a period of rapid technological innovation alongside the concentration of capital into the first big US corporations. Its ideology was laissez faire, and its practice was expansion, economic and territorial.

This resulted in rapid industrialization, which led to inevitable conflicts between capitalists and labor. It was no accident, for example, that the military occupation of the South that was Reconstruction was officially ended in the same year, 1877, that the US saw its first wave of nationwide strikes. This open class antagonism lasted all the way into the first year of the FDR administration.

The Republican Party was the party of labor suppression, but also the party identified with manumission and Reconstruction; they were centralizers, identifying themselves with Hamiltonian federalism; and they tended to support a strong and activist central government. The Democratic Party was avowedly white supremacist, and identified with the more decentralist South, which had associated the struggle to preserve Slavery with "states rights," the more Jeffersonian political tradition.

A challenge to both parties erupted in the 1890s with the Populist movement, which in the South even forged political alliances between Black Republicans and white Populists, the Fusionists. This movement was violently suppressed in the South by the Democrats, including a virtual coup d'etat against a Fusion government in North Carolina in 1898.

This led to the development of an elite political movement of "progressive" federalists who sought to contain the turbulence of grassroots politics, and to co-opt social movements. These "reformers" included Franklin Roosevelt. Their philosophy was, in the words of Loren

Goldner, "to transform politics into management by experts." They set about exposing a host of social ills that afflicted the various sectors of their emerging base - poor southern whites,

western farmers, and northern industrial workers - and offered federal solutions. This was the policy essence of the New Deal. Its political essence was the control-driven bureaucratization of the Democratic Party in order to protect it from undue grassroots pressure.

In foreign policy, these technocrats preferred this jujitsu to the karate of the gunboat, too. That didn't mean they were averse to military power projection, but they were sensitive to the ebb and flow of international power politics and they understood that sometimes you bend so you don't break.

In today's inescapably international, interdependent world, isolationism is no longer an option. But the predisposition of the federalist technocrats - like Brzezinski - is to move through the room without breaking the China (no pun intended). There is still a strong appreciation of the danger lurking in the grassroots. This is the danger that they believe the neocons - who have adopted Jeffersonian decentralism for their racist domestic agendas - are ignoring. On that account, they may be right.

At any rate, the technocratic tradition was inherited by Harry Truman after the war, where it was combined with the emerging Cold War in Iran.

Shah Pahlavi became the unquestioned autocrat of Iran after the Soviet withdrawal in 1946. He presided over two nations. One was the semi-feudal countryside, where the Majlis - the big landowners - subjected millions of peasants. The other was a growing urban Iran, where the oil business was articulating its own industrial proletariat.

In 1949, Mao Zedong stunned the world when his People's War succeeded in seizing state power over the most populous nation in the world, even in the face of massive US assistance to Mao's nemesis, Chiang Kai-shek. Truman's advisors noted that the system and conditions that engendered the Chinese Revolution were similar in many respects to the situation in Iran, and that Iranian industrial workers were filling the ranks of the Tudeh, the new Iranian communist party. They advised - being veteran technocrat federalists - assistance for modernization and land reform. But Truman was so spellbound by the phenomenon in China that he staggered into a proxy war with the Chinese on the Korean peninsula only a year later.

The Iranians were in fact watching China, and the resistance to the Shah accelerated.

There were two powerful sectors who opposed him: the Majdi, who controlled the parliament, and who weren't keen on the land reform program being suggested by the United States, and the industrial workers, who also saw Pahlavi as an Anglo-American puppet. It was this theme, that Pahlavi was a puppet of the US, which resonated with both sectors, and so the resistance developed - as had the Chinese Revolution - as a struggle for national independence.

The National Front that developed was led by the Majdi, Mohammed Mossadegh. In 1951, under great grassroots pressure, the Shah appointed Mossadegh prime minister. Mossadegh was a good choice from the perspective of the peasants as well, because like the rest of the xenophobic Majdi he opposed US influence. And he supported land reform, which he said could be financed with oil revenues, much of which would go to paying off the Majdi for the land they would cede.

For the Americans and for the British, this raised the specter of nationalization of the Anglo-Iranian Oil Company. They were right. Mossadegh signed the expropriation order in March, 1951. This action - wildly popular in Iran - ignited a prairie fire of grassroots activity that threatened to become revolutionary.

When the next US president, Dwight Eisenhower, managed to cut free the Korean anchor around the US neck, it was 1953, and his CIA Director, the infamous Allen Dulles, told him, "If Iran succumbs to the Communists, there is little doubt that in short order the other areas of the Middle East, with some 60% of the world's oil reserves, will fall under Communist control."

This fear was "confirmed" in its own self-fulfilling way, when the US engineered a trade embargo against Iran, forcing Mossadegh to sign a trade agreement that same year with the only nation that had the inclination or ability to violate the embargo - the Soviet Union.

A month later, the Shah abdicated.

By August, with substantial aid and direction from the CIA, monarchists in the Iranian army staged a coup, and the Shah was restored.

Dulles - himself a crafty technocrat - was running policy in Iran by then, and he badgered Eisenhower to push Pahlavi into social reforms as soon as possible to preclude another build-up of grassroots resistance. But Eisenhower dithered with studies and policy pronouncements, kept the money flowing to Pahlavi, and then turned the whole mess over to John F. Kennedy.

Kennedy was aggressive to the point of pissing off Pahlavi, but by 1963 he prevailed on Pahlavi to begin a process of modernization and reform.

This was a top-down program of reform called the White (as opposed to Red) Revolution. Land reform was implemented, and there was massive improvement in health and (secular, male/female) universal education. This led to ten years of relative stability, that blunted the nationalist charges of "US puppet" that continued to come from the Tudeh on the left, and from the anti-modernization clerics on the right, one of whom was Ayatollah Ruhollah Khomeini.

Richard Nixon took office in 1968, inheriting the hair-raising collapse of the US Treasury Department's gold reserves and the unwinnable war in Vietnam that had caused it.

In 1969, the Nixon administration started hinting to key allies that US oil production was about to peak and then go into irreversible decline. This and the destruction of the gold pool had everyone's thinking caps on, and the one weapon that the US had in its economic arsenal was the-dollar-as-international-currency.

There is strong circumstantial evidence that suggests the Nixon administration then colluded with Saudi Arabia and Iran in the so-called Arab Oil Embargo of 1973.

The Nixon administration had completed its abandonment of gold and fixed exchange rates, allowing a 20% devaluation of the dollar that hammered European and Japanese creditors. They were also facing the growing threat of autarkic national liberation movements in Latin America (Chile was overthrown that same year by the Nixon administration.) and Africa. Since oil payments were denominated in dollars, the jump in the price of oil from the embargo was a destabilizing jump in the price for Europe, Japan, Africa, and Latin America. The US, on the other hand, owned the printing press for dollars. By recycling the oil crisis, via petrodollars, through these regions, the US effectively killed several birds with one stone.

By all accounts, Nixon's relationship with Pahlavi was very warm. They had been personal friends since Nixon was Eisenhower's vice president. William Safire, Nixon's former speech-writer, once stated that Pahlavi was Nixon's favorite head of state. Nixon offered to sell Pahlavi's regime any weapon they needed, short of nuclear. That offer was not rescinded during the ostensibly hostile oil embargo in 1973-4, and Iran continued to make outlandish weapons procurements from the US.

Those procurements coincided with the jump in oil prices, and the combination completely destabilized Pahlavi's Iran. Lightning inflation ensued, and with it mass migration into the cities, followed by housing shortages (compounded by inadequate urban infrastructure) and a re-expanding chasm between the richest and the poorest. Grassroots agitation, from almost every

sector now, resumed.

Then in 1978, in neighboring Afghanistan, the Washington-approved strong man Mohammed Daoud Khan began arresting the leaders of the influential People's Democratic Party, a pro-Soviet political formation that had substantial support within the Afghan army. As it turns out, this was an action that Washington was fomenting in order to provoke a Soviet response - hoping to trap the Russians in a guerrilla struggle in Afghanistan. The author of this plot was none other than arch-realist/technocrat Zbigniew Brzezinski, Jimmy Carter's national security advisor. It worked.

The leftist officers organized a coup against Daoud and shot him, establishing a secular socialist government. The CIA began funneling support to right-wing clerical opponents of the regime inside and outside Afghanistan, and the Soviets were eventually drawn into a protracted and destructive military occupation of Afghanistan.

As part of this fight against the left, the Shah in neighboring Iran increased his repression of left secular forces inside Iran, driving them back into a tactical alliance with Iran's own clerical right-wing, and this alliance poured into the streets in 1978. That security crisis exacerbated the existing economic and political crisis that broke Pahlavi's power. Carter's Ambassador in Tehran, William Sullivan, tried to warn the administration of the impending revolution. A contingency plan was even organized for a US military takeover of Iran that was later rejected as unlikely to succeed.

In 1979 the Shah was overthrown; the clerical forces had suppressed the secular left; and fifty-two Americans were taken hostage inside the US Embassy in Tehran. For the US, this was an utter debacle, and it led to Jimmy Carter's defeat in the 1980 election.

When Reagan's people took power, they turned to the one leader in the region who might be able to confront Persian-clerical Iran: Iraq's Arab secular nationalist, Saddam Hussein, even as the administration was colluding behind the scenes with Iran to finance its illegal war in Nicaragua.

Massively supported by the US, Saddam's Iraq inaugurated a grueling eight-year, high-attrition border war with Iran that chewed up around a million human beings. On the other side of Iran, in Afghanistan, the US was providing massive materiel and training support to the Sunni jihadists who would eventually constitute the Taliban government of Afghanistan and the network associated with Osama bin Laden. This element operated out of Pakistan for more than a decade, and came to exert a tremendous social and political influence on large sectors of Pakistan, including its intelligence service and military.

This foreign policy kept at least one partner stable within the region, tacking back and forth between the tides and currents. It developed a partnership with Zionist Israel as a surrogate US military in the region, and the result has been a relatively stable American hegemony over the area for the last sixty years. But such a policy causes pressurized violence in the imperial periphery, the kind that eventually burst into the imperial center on September 11th, 2001. It came not from Iran, and not from Iraq, but from Saudi Arabia and tangentially from Pakistan in response to the basing of military troops in Saudi Arabia, home to the holiest sites in Islam.

The general outcry in reaction to 9/11 was for retaliation, with very little understanding of the provocations and machinations that led to the attacks, and less notice still that the US actually withdrew its troops from Saudi Arabia shortly after 9/11, clearly recognizing that the Wahabbist grievance, as stated, was the provocation, and not some generalized "hatred of freedom and democracy."

It was this recognition - that there was a real threat growing in the streets of places like Riyadh, as political Islam had come to give voice to mass grievances in the place of the very nationalism that Islamism had been deployed to crush - that gave the sense of urgency to the entire US ruling class to re-establish control over this key strategic region. The only argument was over the method, which does not speak to the issue of whether it was or is possible to contain the social crisis in Southwest Asia.

The Bush doctrine in the region is certainly powered by immense hubris and the apparent belief that the US can simply impose its will directly, and thereby restructure the global economy by dint of arms.

This is, in the eyes of the realist-technocrats, a grave miscalculation. Whether the technocrats have an alternative solution to the underlying crisis that is driving the neocons' assault on Southwest Asia is an open question. But their fears may be very well founded.

Under the largest trade deficit in world history, the dollar is propped up by dollar-denominated Saudi oil sales on one side and by American bullets on the other. That system of monetary-military imperialism is tottering with contradictions, and the only question is where and when the catalyst will come that tips it over. If the military failure in Iraq caused consternation, talk of attacking Iran is setting off alarm bells... for some.

(Cont'd from page 2)

Peeling apart the Chalabi files demonstrated that the neo-con agenda for Iraq extended far beyond political ideology, into a realm where law enforcement can be most effective: fraud.

According to Pentagon and Justice Department sources, U.S. investigators discovered that Ahmad Chalabi and his business partners were involved in fraudulently obtaining cellular phone licenses in Iraq. The Pentagon's Undersecretary of Defense for International Technology Security John (Jack) Shaw smelled a neo-con rat when the Iraqi Coalition Provisional Authority (CPA), in late 2003, awarded cellular phone contracts to three companies - Orascom, Atheer, and Asia-Cell - with ties to Ahmed Chalabi. As with all those who challenge the impropriety and illegal activities of the neo-cons, Shaw was, in turn, charged with improperly steering Iraq cell phone contracts to Qualcomm and Lucent. However, it is Shaw, reported by his longtime colleagues to be a solid and trustworthy public servant, who has the confidence of law enforcement, Pentagon investigators, and the military brass. Anything with Ahmed Chalabi's fingerprints on it also bears the fingerprints of his nephew Salem Chalabi. Salem, named as the chief prosecutor in Saddam Hussein's trial, is a law partner of L. Marc Zell, a Jerusalem-based attorney who was the law partner of Douglas Feith - the head of the Pentagon's Office of Special Plans that concocted phony intelligence on Iraq's weapons of mass destruction and ties to Al Qaeda with the assistance of Likud operatives seconded by Ariel Sharon's government.

The law firm of Feith & Zell, in concert with Perle, was instrumental in funneling hundreds of millions of dollars from Arab and Muslim countries to the Bosnian government during that nation's civil war. While that effort was ostensibly designed to assist the Bosnians to purchase weapons, officials familiar with its actual operation reported that some of the arms and money "spilled over" to Al Qaeda and Iranian Pasdaran forces in the Balkans.

The neo-con attack on Shaw was predictable considering their previous attacks on Ambassador Joe Wilson, his wife Valerie Plame, former U.S. Central Command chief General Anthony Zinni, former counter-terrorism coordinator Richard Clarke, former Treasury Secretary Paul O'Neill, CIA counter-terrorism agent Michael Scheuer (the "anonymous" author of *Imperial Hubris* who has recently been gagged by the Bush administration), fired FBI translator Sibel Edmonds (who likely discovered a penetration by Israeli and other intelligence assets using the false flag of the Turkish American Council and who also has been gagged by the Bush administration), and all those who took on the global domination cabal. But Shaw showed incredible moxie. When he decided to investigate Pentagon Inspector General Reports that firms tied to Perle and Deputy De

fense Secretary Paul Wolfowitz were benefiting from windfall profit contracts in Iraq, Shaw decided to go to Iraq himself to find out what was going on.

When Shaw was denied entry into Iraq by U.S. military officers (yes, a top level official of the Defense Department was denied access to Iraq by U.S. military personnel!), he decided to sneak into the country disguised as a Halliburton contractor. Using the cover of Cheney's old company to get the goods on Cheney's friends' illegal activities was yet another masterful stroke of genius by Shaw. But it also earned him the wrath of the neo-cons. They soon leaked a story to the *Los Angeles Times* claiming that Shaw actually snuck into Iraq to ensure that Qualcomm (on whose board sat a friend of Shaw's) was awarded a lucrative cell network contract.

But nothing could be further from the truth. Shaw, who worked for Ronald Reagan and George H. W. Bush, represented the Old Guard Republican entity that in August 2003 set up shop in the Pentagon right under the noses of Rumsfeld, Wolfowitz, and Feith to investigate the neo-con cabal and their illegal contract deals. The entity, known as the International Armament and Technology Trade Directorate, was soon shut down as a result of neo-con pressure. Not to be deterred, Shaw continued his investigation of the neo-cons. Although the neo-cons told the *Los Angeles Times* that the FBI was investigating Shaw, the reverse was the case: the FBI was investigating the neo-cons, particularly Perle and Wolfowitz, for fraudulent activities involving Iraqi contracts. And in worse news for the neo-cons: Secretary of Defense Donald Rumsfeld was giving the Inspector General's and Shaw's investigations a "wink and a nod" of approval.

The financial stakes for the Pentagon are high - the Iraqi CPA's Inspector General recently revealed that over \$1 billion of Iraqi money was missing from the audit books on Iraqi contracts. For Shaw and the FBI, it was a matter of what they suspected for many years - that Perle, Wolfowitz, and their comrades were running entities that ensured favorable treatment for Israeli activities - whether they were business opportunities in a U.S.-occupied Arab country or protecting Israeli spies operating within the U.S. defense and intelligence establishments.

Shaw certainly must have recalled how, during the Reagan administration, an Israeli spy named Jonathan Pollard was able to steal massive amounts of sensitive U.S. intelligence over a long period of time and hand it over to his Israeli control officer, a dangerous and deadly agent provocateur named Rafael "Rafi" Eitan.

That had disastrous effects on U.S. intelligence operations throughout the world because some of the documents were handed by the Israelis to the Soviets in return for letting more Soviet Jews emigrate to Israel.

Shaw must have also recalled that when a young National Security Council staffer named Douglas Feith was suspected of being an Israeli agent of influence, he was stripped of his job and security clearance by then-National Security Adviser Bill Clark but soon managed to find another job (and another top level clearance) under then Deputy Defense Secretary Richard Perle.

And it was certainly known that during Pollard's subsequent appeal of his life sentence for spying for Israel, one of his attorneys was none other than right-wing stalwart and neo-con friend, Ted Olsen, the former Solicitor General of the United States under Ashcroft and the person in charge of all U.S. attorneys. It was from Olsen's cadre of U.S. Attorneys that special prosecutor Patrick J. Fitzgerald was selected to investigate the Valerie Plame / Brewster, Jennings White House leak to the media and perhaps other high crimes by neo-con officials of the Bush administration.

Fitzgerald continues to expand his case against the leakers of Plame's identity. But he may be getting more than he originally bargained for. As his investigation expanded into the bowels of the Pentagon, he was bound to discover that the treachery of the neo-cons was not merely confined to the leaking of the name of a covert CIA officer - disastrous in itself - but coupled with other activities that call into question the loyalties and financial dealings of those who swore an oath to the U.S. Constitution.

With Ashcroft's deputy, James Comey, the person who appointed Fitzgerald, finding himself increasingly frozen out of Ashcroft's inner sanctum deliberations, it is clear that the neo-cons are worried about what Fitzgerald is discovering and how far his investigation will go. Also unusual was the fact that as Fitzgerald's case began to gain steam - with George W. Bush and Dick Cheney both retaining criminal defense attorneys - FBI Director Robert Mueller suddenly transferred the lead FBI agent on the Plame case, John C. Eckenrode, a well-seasoned 29-year veteran of the bureau, to head up the FBI's Philadelphia office. An FBI spokesman in Philadelphia said that such sudden transfers, in the middle of major investigations, sometimes, just "happen."

Make no mistake about it: the violation of the 1982 Intelligence Identities Protection Act of 1982 by the disclosure of Plame's identity and that of her non-official cover corporate umbrella organization (Brewster, Jennings & Associates) along with its official counterpart, the CIA's Nonproliferation Center - had a disastrous impact on the ability of the United States to track the proliferation of weapons of mass destruction around the world. At least one anonymous star (representing a covert U.S. agent killed while working abroad) placed on the CIA's Wall of Honor during the past year was reportedly a direct result

of the disastrous disclosures from Cheney's office. The political vendettas of the neo-cons in exposing Plame's dangerous work and retaliating against Wilson's revelations about Bush's use of bogus intelligence regarding a fanciful Iraqi uranium shopping spree in Niger ensured that America's military-intelligence complex was going to seek a final accounting with the neo-cons. And a final accounting they are getting, in spades.

Adding insult to injury, neither the CIA nor FBI were happy that Israeli spies operating under the cover of Israeli "art students" and moving van operators, and who were picked up by federal agents and local "first responder" law enforcement officers before and after 9/11, were quickly deported by immigration officers before they could be fully interrogated. The penetration of FBI and other federal law enforcement data networks and databases by Israeli software and telecommunications companies working under U.S. government contracts has also left a bitter taste in the mouths of federal law enforcement and intelligence personnel.

So now, it is payback time. The recent arrest warrants issued by the Iraqi government for Ahmed and Salem Chalabi (Ahmed's for counterfeiting Iraqi dinars and Salem's for murdering an Iraqi Finance Ministry official) indicates that Shaw's instincts about the fraud engaged in by them and their neo-con friends in the Pentagon were right on the money. Let us ponder that news again: the lead prosecutor against Saddam Hussein murders an official of the Iraqi Finance Ministry - an individual that just may have known something about what happened to \$1 billion in missing Iraqi revenues. The accused is a partner of an Israeli-U.S. lawyer who is a close colleague of leading neo-cons in the Pentagon (some of whom are also dual U.S.-Israeli citizens) and the nephew of a man who was supported bureaucratically by a former CIA Director (James Woolsey), financially by hundreds of millions of dollars from the budget of the Defense Intelligence Agency, and politically by a think tank (AEI) that includes the wife of the Vice President of the United States. Uncle Ahmed was also a personal guest of George W. and Laura Bush in the VIP box at the 2004 State of the Union address. The President and First Lady welcomed a person who now is now an accused criminal to America's State of the Union address, a person whose nephew is now an accused murderer! John Le Carre could not have come up with a better international thriller scenario.

The recent decision by the chief judge in the Plame leak to order NBC's Tim Russert to testify about just who it was at the White House that contacted him about Plame's identity, while troubling for First Amendment freedom of the press protections, is an indication that time is growing short for the leakers. Three months before a U.S. presidential election, that could be a crucial windfall for John Kerry and the Democratic Party.

The neo-cons hoped the focus of the election campaign would be Saddam Hussein's trial. Instead, it may be the trials of the Chalabis and potentially other members of the Iraqi National Congress, the entity that was nurtured by Perle, Wolfowitz, Feith, and Woolsey. However, the Chalabis escaped from Iraq before they could be arrested. If they turn up in the United States or in a member country of the laughable "coalition of the willing," the Bush administration and the neo-cons will be caught between a virtual rock and a hard place. If they refuse to hand over the Chalabis, their true motives will be on display for the entire world to see. If they help to turn over the Chalabis, they will be in a position to rat out their neo-con friends on the fraud already discovered by Shaw, the IGs of the Pentagon and CPA, the FBI, and the CIA. The neo-cons should never have underestimated by the CIA. When the agency came under attack, its allies were able to marshal all their impressive resources, including Bush 41 confidants C. Boyden Gray, Brent Scowcroft, James Baker III and even George H. W. Bush himself. The conflict between father and son now rivals that found in any Shakespearean tragedy.

And the penetration of the Pentagon over the past three years by those with close connections to Likud interests cannot sit well with either former Reagan Defense Secretary Caspar Weinberger or former National Security Agency (NSA) Director and CIA Deputy Director Bobby Ray Inman, who ordered a severing of U.S. intelligence sharing with Israel after the Pollard affair and other Israeli penetrations of NSA signals intelligence programs through joint Israeli-NSA/CIA communications and satellite intelligence projects known as DINDI and PYREX, respectively. Those contracts were eventually canceled after Israeli engineers used friendly and sympathetic U.S. contract engineers working for RCA and Bendix Field Engineering to obtain Sensitive Compartmented Information (SCI) intelligence on NSA and CIA operations in the Middle East and around the world, including technical details of how the NSA intercepted microwave communications and information on a classified satellite intelligence system called MAROON SHIELD. The fact that Ahmed Chalabi, an ally of Pollard's old friends in the Pentagon, was recently caught passing on NSA cryptologic intelligence to Iran on the agency's ability to crack Iranian diplomatic and military codes must have served as a painful reminder to Weinberger, Inman, and other U.S. intelligence veterans who remember the duplicity of the Israelis going as far back as the purposeful 1967 Israeli attack on the USS Liberty, an NSA surveillance ship. It also ensured that the Republican Old Guard would continue to coalesce into a united front to ensure the ultimate routing of the neo-cons from their party.

There may yet be a silver lining in the mess brought about by the neo-cons. In addition to possible indictments of Libby, Wolfowitz, and others for everything

ranging from contract fraud, to disseminating - via an Italian con man named Rocco Martino (a close confidant of Iran-contras Manucher Ghorbanifar with whom Ledeen rekindled a relationship in the lead-up to the Iraq fiasco) - Niger government documents known to be false, and leaking the name of a covert CIA agent and her proprietary firm, there may be a settling of accounts with Israel over the involvement of it and its agents of influence in the various scams that prodded the U.S. into a war in Iraq.

Every recent Israeli Prime Minister - Yitzhak Shamir, Yitzhak Rabin, Shimon Peres, Benjamin Netanyahu, Ehud Barak, and Ariel Sharon - have demanded that Pollard be released by the United States and allowed to go to Israel. And every American administration - that of Reagan, Bush 41, Clinton, and up to now - Bush 43 - has refused. But it may be time for a deal with the Israelis - a deal that would, for once, favor U.S. national security interests over those of Israel. As the influence of the neo-cons drastically falls, the idea of a Cold War-style agent swap is gaining momentum. If Israel would release the formerly jailed Israeli nuclear scientist and convert to Christianity Mordechai Vanunu from a virtual house arrest in Jerusalem, the United States would release Pollard, who was granted Israeli citizenship after his imprisonment. Pollard's breaches of U.S. security, while very serious, have been mitigated by further advances in U.S. spy satellite and other surveillance technology over the years. But Vanunu's knowledge could be very helpful to the United States - so much so that a former Mossad chief revealed that the Israeli spy agency actually contemplated assassinating the scientist rather than forcibly kidnapping him from London.

One caveat on a deal - since when it comes to intelligence matters, Israel cannot be trusted to deal in good faith - Vanunu would be released and given a medical examination by independent American medical personnel before Pollard is turned over to the Israelis. The U.N. checkpoint in divided Nicosia, Cyprus might serve as the perfect "Checkpoint Charlie" for such a swap. Vanunu would be turned over to the Americans from the Greek side and into the relatively Israeli-Russian Mafia-free Turkish Northern Cyprus where he would be examined and given a clean bill of health (meaning no sudden "heart problems"), after which Pollard would be handed over to the Israelis on the Greek side.

The United States, after suffering major losses in its ability to track the proliferation of nuclear weapons because of the neo-con leaks and disinformation, would have a new intelligence asset in Vanunu - someone who had inside information about Israel's illegal acquisition of nuclear technology for years.

Even though he was jailed in 1986, some of the illegal international nuclear trade networks operating out of the

former U.S.S.R. and Eastern bloc - which Israel used to its own advantage and as a supply pipeline to its own Dimona nuclear weapons plant - may yet yield important intelligence for the CIA's Nonproliferation Center. Let Valerie Plame, whose more recent expertise in international nuclear proliferation would complement Vanunu's prior knowledge of such activities, serve as his debriefing officer - with a commensurate promotion in rank. Vanunu may even be useful in the continuing FBI criminal investigations of Israeli intelligence activities directed against the United States in the early 1980s - activities that continue to implicate senior members of the current Bush administration. In all, such a deal would be a major win for the national security of the United States.

Wayne Madsen is the author of the forthcoming book: "Jaded Tasks: Big Oil, Black Ops and Brass Plates." He was with the National Security Agency under the Reagan administration. He is now a syndicated columnist and Washington, DC-based investigative journalist.

Target Iran

by
Dale Allen Pfeiffer

Wait a Minute

Well folks, we have had our next lotto drawing in the War on Terror, and it appears that we have a winner. Saudi Arabia? Pakistan? No, the next lucky target appears to be Iran. That's right. Given Mr. Bush's increasingly bellicose remarks about Iran, US embarrassment to find out that their first choice to head a new democratic Iraq, Ahmed Chalabi, was an Iranian spy, and Iran's announcement (however much truth there is behind it) that they are now members of the nuclear club, it would appear that our current administration has picked a new target in their ongoing War against Terror. Already the propaganda machine-excuse me-the media is hyping up reports stating the Iran had more to do with 9/11 than did Iraq. So it would probably behoove us, in our attempt to understand what this is really about, to look at Iran's oil resources and its strategic position with regard to the oil resources of neighboring territories. But first, I think we need to criticize the fundamental strategy of Georgy's War on Terror.

Never mind that we are already stretched so thin that we do not have the troops necessary to stage another invasion. King George (or King Kerry, should the anointment go that way) stands ready to build vast armies utilizing the new draft act poised to sail through Congress just as soon as this inconvenient election is out of the way. Of course, these vast armies will be filled with the worst sort of soldiers: raw draftees with no desire to go to war. They will be at the helm of the most sophisticated war machinery ever designed, pumped full of experimental drugs and amphetamines, and plugged in to driving, angry heavy metal hip hop. They'll be halfway across the country before many of them even begin to see what a mess they're in. Hey, don't you know that Dubya's strong opposition to abortion is all because he knows that twenty years from now we will need more human fodder to replace the soldiers mangled in his continuous War on Terror? Never mind that we will become bogged down in every country we enter, Dubya's desired abortion ban will provide us with many more troops.

Seriously, what bothers me is that Bush's critics do not fault the premise of war altogether. Even Kerry continues to back the invasion of Iraq, though he says we went in for the wrong reason. It seems that nobody is questioning the need for a war on terror anymore; they are just questioning our choice of targets. What ever happened to the basic argument that you do not solve the problem of terrorism with war?

War is an imperialistic pursuit, end of story. There has never been a military invasion for any other purpose in the history of humankind. Countries are invaded to subjugate the population and seize the resources. Period. Defense is another matter. Defense is what a nation does when it has been invaded. Building up a strong and visible defense can arguably help to discourage potential invaders, but the moment that defensive force crosses an international border it has become an army of aggression, unless called to the aid of another. For over sixty years, the power structure in the US has worked on blurring this distinction. A century ago, the American public was extremely resistant to becoming involved in foreign wars. The resistance to entering World War One was very strong. Hundreds of thousands of men had to be tried and sentenced for resisting the war and for speaking

out against the war before the public was cowed into going along with the effort. In order to gain public support for World War Two, Roosevelt had to egg the Japanese into attacking Pearl Harbor. But from that point on, we learned the lessons taught by the Nazi propagandist machine.

One purpose of the Cold War was to get the American public used to the idea of invasive imperialistic wars under the guise of fighting against communism. Even Korea and Vietnam were spun this way, though the first was a draw and the second was a widely unpopular failure. All of the wars and interventions of the later Twentieth century were ostensibly fought to prevent communism from spreading through the globe. The American people have come to accept the premise of preventive intervention, even though most of these actions achieved mixed results at best.

Bush has taken the next step in this progression, drawing up a policy of preemptive strikes against any country we suspect might intend to do us harm. It seems that George has learned well from his grandfather's connection to the Nazi war machine. He is the ultimate successor to Hitler in the quest for global domination, and domestic subjugation.

Is the world any safer as a result of this War on Terror? No; according to reports by the CIA and other intelligence agencies, terrorist recruitment has increased since the War on Terror began. Every new war campaign is in reality a recruitment drive for terrorists. Wait a minute, argues the Rumsfeldian chickenhawks, we are drawing our assessment far too soon. The War on Terror has just begun. Certainly the terrorists are rallying their troops in response. Just wait until we have moved against all of them, then we will stomp this fire out. Yes, but by then, the entire world will have gone up in the conflagration. They cannot see that you do not fight fire by throwing gasoline on it (or Napalm, as the case may be).

Our own personal experience tells us that martial action does not solve social problems. Do any of us feel safer after twenty years of war on drugs? No, but hey, we have the best armed police force in the world, and the largest prison population of any country per capita.

The terrorism we faced on 9/11, and in the terrorist attacks leading up to that event, was bred from the victims of the Cold War. Terrorists are bred from war and interventions. When we invaded countries or staged interventions to prevent a popular uprising, we may have succeeded in quelling the uprising. But by beating down the popular support for the uprising, we created one hundred enemies for every one that we killed or tortured. And while these beaten masses may remain far

too oppressed to rise up in the same manner, their desperation ultimately finds expression in acts of terrorism.

No, war is not the solution to terrorism. We should never have allowed the debate to center upon which country we should invade, nor whether or not we are invading for the right reasons. Don't let them fool you; there are no right reasons to invade another country. A military response is a boon for terrorists, not a bane. It is what they want.

The solution to terrorism is social programs. Instead of spending billions of dollars to destroy these countries and murder people, we would have met with much more success by spending just a fraction of that amount to help build up these countries, providing their people with a positive future. This is how you fight the despair which results in terrorism, not with guns and bombs, but through education and investments in social infrastructure.

And what about here at home? How best can we benefit our youth and build a positive, safe atmosphere for our families at home? What if we offered all US citizens a free college education? We have the money to do so, but now extort that money from our tax payers in order to feed a bloated military and domestic prison system. Then we tell our kids that if they serve in the military, their college education will be paid for. Why not pay for it directly and put our military on a strict diet? Why not build schools instead of prisons? Social structure and education is how we make this world a better and safer place, not military spending and warfare.

But I am afraid it is far too late for this option. There are too many piggies at the trough of military spending, and those piggies in turn pay off our politicians. Before we could ever stop this insane war machine, we would have to wean those piggies. And we would have to admit that a war response to terrorism is wrong. To make such an admission would be to confess that our country is guilty of war crimes. Those who would have to make such an admission would also have to stand up and accept the punishment for their crimes. And they are not about to do that.

So it's bombs away. Next stop Iran. Look for the War on Terror coming soon to a town near you.

Iran has been making bold claims about its oil reserves and future production. They have recently boosted their stated recoverable reserves to 132 billion barrels, second only to Saudi Arabia. And they are claiming that their output capacity will double by 2020. Iran expects to raise production from the current 4.2 million barrels per day (bpd) to 5 million bpd by 2010, and then to a prodigious 8 million bpd by 2020.¹

Bold Claims



from *Iran Country Analysis Brief*,
<http://www.eia.doe.gov/emeu/cabs/iran.html>

However, analysts suspect that these claims are motivated by fears that Iraq will resume its former position in OPEC's allocation of quotas.

BP's yearly statistical review of world energy places Iranian reserves at 130.7 billion barrels, only slightly lower than the figure given by Iranian officials.² This new reserve level was announced in 2003 by Iranian officials, and represents an unexplained hike of over 40 billion barrels from the former stated reserves of 90 billion barrels. It is claimed that these additions result from recent exploration. Ali Bakhtiari, a Senior Expert attached to the Director's Office of the National Iranian Oil Company (NIOC), takes exception to these figures.

Dr. Bakhtiari, who has over 30 years of experience working for the NIOC, and who is considered to be one of the most knowledgeable sources concerning Iranian oil-if not Middle Eastern oil in general, has absolutely no faith in these inflated figures. In a communication with FTW Publisher/Editor Mike Ruppert, Dr. Bakhtiari observed:

As for Iran becoming No.2 in reserves, it is pure propaganda based on wishful reserves. The proved reserves leap from 90 bnb [billion barrels, editor] to 131 bnb announced in late 2003 by the Petroleum Ministry of the Islamic Republic was lately (June 15) accepted and publicized by BP in its June 2004 BP Statistical and now the people ruling NIOC are gloating over it.

Dr. Campbell's latest reserves estimate total Iran reserves at around 60 bnb, and the greatest Iranian expert on Iran reserves, Dr. Mohammad Ali Saidi (former NIOC Director for Exploration and Production, with 40 years experience in the oil fields, now an international consultant in Paris), believes they stand "around 40 bnb".³

I have to agree with Dr. Bakhtiari that the figures from Dr. Saidi and Dr. Campbell are more believable than those announced by the Petroleum Ministry. In the last few years, Iran has announced various new finds which they are using to boost their reserves and their future production targets. Azadegan, the largest recent find at a reputed 26 to 70 billion barrels (depending on who you talk to),⁴ is just a few miles east of the Iraqi border, in an area that was not readily accessible for exploration until the 1990s. Of the other recent discoveries, the most notable onshore discovery is Darkhovin, located near the Persian Gulf port city of Abadan, also near the Iraqi border. This oilfield is believed to hold 3-5 billion barrels.⁵ In 2001, the NIOC announced a major discovery offshore from Abadan, named Dasht-e Abadan. No data has been released, but officials claim that it rivals Azadegan in size.

Unfortunately, the size and quality of all of these discoveries is questionable. As mentioned, Iran has political and economic motives for inflating recent discoveries. And like other OPEC members, they have a record of padding reserve figures. Dr. Campbell has told me that Iran's most recent finds are of dubious validity. And the Azadegan discovery is actually two separate fields, one of which holds heavy oil.⁶ The recently announced discoveries are all highly suspicious.

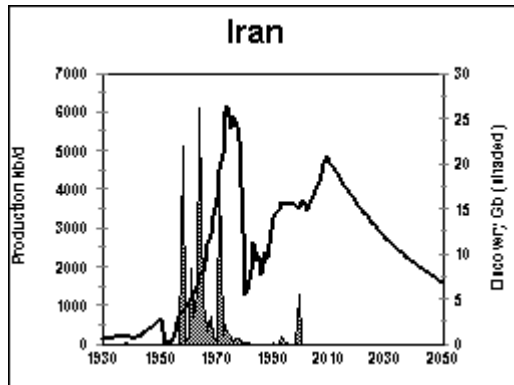
Yet, even analysts who credit to the Iranians all of the reserves which they claim tend to be skeptical of their production forecasts. Sustainable production is currently estimated at 3.6 to 3.75 million bbl/d (barrels per day),² and is expected to fall without investment in new fields.⁷ Many analysts suspect that production from existing wells has been damaged due to unsustainable practices and neglect-an effect of sanctions somewhat similar to the pre-invasion situation in Iraq. Depletion is running as high as 7%.⁸ Iran needs outside investment to refurbish existing infrastructure and to develop new fields.

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Unfortunately, Iran has a "buy-back" system which deters foreign investment. These buy-back contracts are extremely complicated, and the negotiation of these contracts is often marked with last minute demands by the Iranians. Under this buy-back system, foreign investors are compensated by output for a short time before being legally required to sell back the field to NIOC.⁹ Investors feel that these contracts severely limit the profitability of buying into Iranian oil fields.

Between their questionable claims on reserves and discovery, and their disagreeable buy-back system, it is unlikely that Iran will meet any of their future production goals. From Colin Campbell's modeling and adjusted data, we find the following. Iran has already produced around 56 billion barrels (Gb), and has about 59.9 Gb of known reserves left for future production. Adding to that a generous 9.4 Gb for future discovery brings the figure for potential future production up to 69 Gb, and a grand total of 125 Gb. Allowing for new fields being brought online, Dr. Campbell gives Iran an overall 1.9% depletion rate. Due to vigorous pumping under the Shah, followed by his overthrow and the rise to power of the Ayatollah Khomeini, Iranian production actually peaked in 1971. Production has been rising toward a second peak since the 1980s. Dr. Campbell places the midpoint to depletion in the year 2007, and expects a secondary peak by 2010 at the very latest.¹¹



from ASPO Newsletter No. 32,

<http://www.asponews.org/ASPO.newsletter.032.php>

Iran is also extremely well endowed with natural gas, holding a reported 812 Trillion cubic feet (Tcf) of natural gas reserves, though it is suspected that the real figure may be closer to 700 Tcf.¹¹ It is second only to Russia in the size of its natural gas reserves. The largest non-associated natural gas field is the South Pars, which is actually an extension of Qatar's North Field. South Pars holds an estimated 280 Tcf.¹² Current Iranian natural gas production stands at 6.2 billion cubic feet per day

(bcf/d), which appears to trail behind consumption at 6.6 bcf/d.¹³ The discrepancy does not mean that Iran imports natural gas; it is an anomaly likely due to massive reinjection of natural gas into wells for the purpose of boosting oil production.

Iran is working out plans for several liquid natural gas (LNG) operations, which would allow it to export natural gas. At present, none of these plans has made it off the drawing board. Though Iran does have abundant natural gas resources, it would be facing heavy competition from already established LNG exporters such as Australia and Indonesia.

The Caspian Sea

Iran is one of the nations bordering the Caspian Sea, with potential Caspian reserves of 15 billion barrels of oil and 11 Tcf of natural gas.¹⁴ Hardly any of these potential reserves have proven to be recoverable as of yet. Iran is the stumbling block in the division of the Caspian Sea among the various littoral states. It is the Iranian position that treaties between Iran and the former Soviet Union, signed in 1921 and 1940, remain valid. These treaties call for joint sharing of Caspian resources between Iran and the Soviet Union. Citing this treaty, Iran is insisting that the Caspian Sea should be held in common, or should be divided equally among all five bordering nations, giving each nation 20% of the Sea. Kazakhstan, Azerbaijan, and Russia, on the other hand, favor an equidistant division of the sea, which would leave Iran with only a 12 - 13% share. Iran refuses to consider that option, and has made several announcements that it will soon begin exploration in its 20% of the Caspian. On July 23, 2001, an Iranian gunboat intercepted two BP exploration vessels departed from Azerbaijan.¹⁵ Following this incident, exploration from neighboring states has either been suspended or proceeds very cautiously.

Iran stands to gain a great deal from the resolution of this dispute. Aside from direct ownership of potential reserves, Iran is in the most favorable geographical position of any of the littoral states for serving as a conduit of Caspian-and Central Asian-resources to other markets. Pipelines from the Caspian Sea to the Persian Gulf could provide the shortest route for oil and natural gas exports from this region. Another option would involve delivering crude from Caspian regions to refineries in northern Iran, while an equivalent amount of Iranian oil is exported from Persian Gulf terminals. Iran is planning to retool its infrastructure to accommodate such swaps. As part of this infrastructure, Iran has drawn up plans for a 240-mile pipeline from the Caspian port of Neka to northern refineries and also to Tehran, at a cost of \$400 million.¹⁶ Sanctions supported by the US remain an impediment to all of these plans.

A Tough Situation

Iran is the most populous country in the Middle East, with a population of 68.3 million.¹⁷ Furthermore, the population is growing quickly and the majority of Iranians are young. These young people have few job prospects, and are heavily dependent on oil revenues. Oil exports account for 80% of Iran's total export earnings, 40-50% of the government budget, and 10-20% of the GDP.¹⁸ Most of the population lives in poverty. The country is saddled with a large foreign debt, much of it in the form of short-term debt. Most of the basic goods are subsidized by the state at a cost of billions per year. The government is burgeoning with inefficient and dogmatic bureaucracies and state monopolies. And the country suffers from international isolation and sanctions.

In this type of setting, it is no wonder that the country issues glowing production forecasts. They are in desperate need of foreign investment to keep their oil based economy afloat. To an unknown degree, these inflated discovery announcements and projections of future production must be designed to pacify the public, which is ripe for change. In saying that the public is ready for change, I do not want to suggest that the population will respond well to change forced upon them by foreigners, particularly Americans. The Iranian reaction to an invasion (read that regime change) would likely make the Iraqi quagmire seem like a picnic in comparison.

Less Oil than We Thought

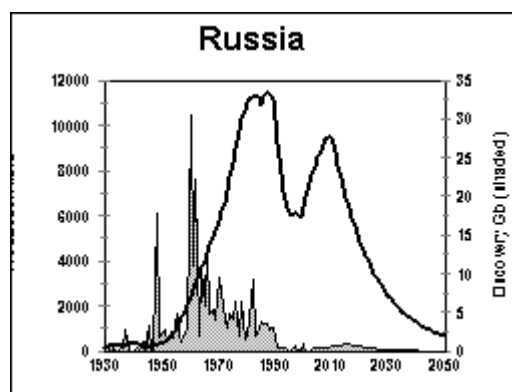
The full importance of Iranian reserves lies in the belief that Iran is one of only five swing States-that is, countries with the capacity to increase oil production to make up for declining production elsewhere. The reserves of Iran, Iraq, and Saudi Arabia-along with Caspian and Central Asian reserves-are becoming increasingly important in the face of revised reserve data and admissions from the industry that there is not as much oil left as we thought.

Sources say that Shell Oil's downgrading of fully 22% of its reserves¹⁹ was just the tip of the iceberg. Unnamed sources say that all of the majors have used similar tactics to inflate their image. Shell simply got caught at it. At some point in the future, all the other oil corporations will probably have to downgrade a portion of their reported reserves.

FTW has been in the lead reporting of doubts about Saudi Arabian reserve and spare capacity claims. Energy investment banker Matthew Simmons has stated several times that his investigation of Saudi Arabia suggests that nation's oil production has already peaked. Aramco and government officials vehemently deny Mr. Simmons' assertions, but have failed to produce any evi-

dence to back up their own statements.²⁰ Saudi Arabia's largest field is Ghawar, which produces 4.5 million barrels of oil per day, or 5.5% of world production.²¹ Ghawar is the world's largest oil field and the basis for Saudi Arabia's oil supremacy. It accounts for 30% of Saudi oil reserves and up to 70% of its daily output.²² For many years now, Aramco has been injecting sea water to hold up the pressure in the field and increase the production of oil. Currently, Aramco is injecting 7 million barrels of sea water into the field per day, and there are estimates that as much as 55% of the production from the field consists of water. The decline rate is a staggering 8%.²³ And there is little good news to be found elsewhere in Saudi Arabia, as all of the major fields are aging and developing production problems. Ghawar, which has produced one out of every twelve barrels of oil pumped from the planet, has been in production since 1951.²⁴ At the current rate of cut, production is collapsing and it will only be a matter of years before the field must be retired.

It has long been suspected that OPEC members had little spare capacity left. This suspicion was recently substantiated by Venezuela's oil minister, Rafael Ramirez, who told Reuters news service that OPEC had little spare capacity to help lower oil prices. "Most of the countries are near their production limits," Ramirez is quoted as saying.²⁵ OPEC production is at its highest level since 1979, in the effort to meet the growing appetites of China and the US.²⁶ This was confirmed by OPEC President, Purnomo Yusgiantoro, who has candidly stated that OPEC nations are powerless to cool the oil market. "There is no more supply," he said.²⁷ Deutsche Bank's global energy strategist, Adam Sieminski, has warned that oil prices have the potential to hit \$100 per barrel.²⁸



from ASPO Newsletter No. 31

<http://www.asponews.org/ASPO.newsletter.031.php>

We have been stating for some time now that current Russian production will be paid for with a quick secondary peak and a much higher depletion rate. Russian production reached its first and largest peak in 1987.²⁹

Over the past several years it has boosted production until Russia has become second in oil exports behind Saudi Arabia. Now it appears that Russia is waking up. In a story about coal, Professor Ian Fells of the British New and Renewable Energy Centre is quoted as saying, "The Russians told me they are going to build more nuclear plants, because they can't rely on oil and gas—and it's their oil and gas we are planning to rely on!"³⁰ Russian Federal Energy Agency head, Sergei Ogane-syan, recently said that Russia's oil production will probably stay flat or even drop in 2005.³¹ And oil prices surged after bailiffs ordered the Russian oil company Yukos to stop exporting oil. Yukos pumps 1.7 million barrels per day.³² It is doubtful that OPEC will be able to make up this shortfall, if it continues for long.

Colin Campbell, along with the Uppsala Hydrocarbon Depletion Study Group, recently updated their models to reflect the downgrading of reserves for the OPEC nations. We wish to direct your attention to several charts produced from their study. These charts can also be found at <http://www.peakoil.net/uhdsg/Default.htm> and in particular, the table of data summarizing regular oil production for the entire world, found at http://www.peakoil.net/uhdsg/WORLD_SUMMARY.html.htm. The table and the graphs provide an essential picture of our world energy situation. Their most recent model has moved the global oil peak forward, from 2010 to 2008. And it is beginning to appear that they may have been too generous in their reserve estimates for some of the nations included in the study.

Enter the Neocons

With global oil production racing towards its peak, the neocons surrounding G. W. Bush are probably very eager to consolidate the Middle Eastern oil reserves of Iraq, Iran and Saudi Arabia into their empire. And so we have Bush's claims that the 9-11 terrorists are linked to Iran, even as we are still trying to keep a lid on Iraq and Afghanistan.³³

There is a desperate need to bring on new oil production in an effort to reduce oil prices before they impact the global economy. With a certainty, the Bush administration is eyeing an Iranian pipeline to bring Caspian oil to market. Yet the CIA has already backed away from administration claims of a 9-11 Iranian connection, in a tango reminiscent of the buildup to the Iraqi Invasion.³⁴

On the surface, this targeting of Iran seems like madness. We simply do not have the spare forces to spread around. And there is evidence that some of the elite are turning against the Bush administration.³⁵ They are worried that the neocon game plan endangers their own interests. The Bush administration needs to impress upon them how important their policy of oil imperialism

is to the future of the US, and to the future of their business interests.

Many have wondered why the Bush administration has done little to lower oil prices. Could it be that they are using the higher oil prices, and possibly the newest revelations about Saudi, OPEC and Russian oil production to prod certain key players into the realization of just how desperate the global situation is? If key members of the elite wake up to the fact that we are facing the end of the oil age, with no likelihood of developing a viable alternative, would they continue to worry about a little bloodshed and the loss of some profits? Or would they sadly condone a bloodthirsty attempt to establish an oil empire in the Middle East and Central Asia? Sorry if this sounds cynical and paranoid, but that is how the game is played in the world of movers and shakers.

If this is the Bush behind-the-scenes strategy, then what is the Kerry behind-the-scenes strategy? Is he truly as clueless about the global energy situation as his public statements and his platform would suggest? Or has he assured the elite that he will beat the neocons at their own game, regardless of the cost to the US public, and to the people of other lands? Only time will answer these questions, if we are ever allowed to do more than guess at the answers.

One thing is certain: if the public in the US believes that it is up to them to decide who should be elected President, then they are completely deluded. Federal elections have never been honest. And now we are led by rigged polls and media manipulation to accept whoever the computer algorithms (and the Supreme Court, if need be) anoint as President. We need to wake up, people. There is a deadly game going on here, and we are being used as pawns.

Footnotes

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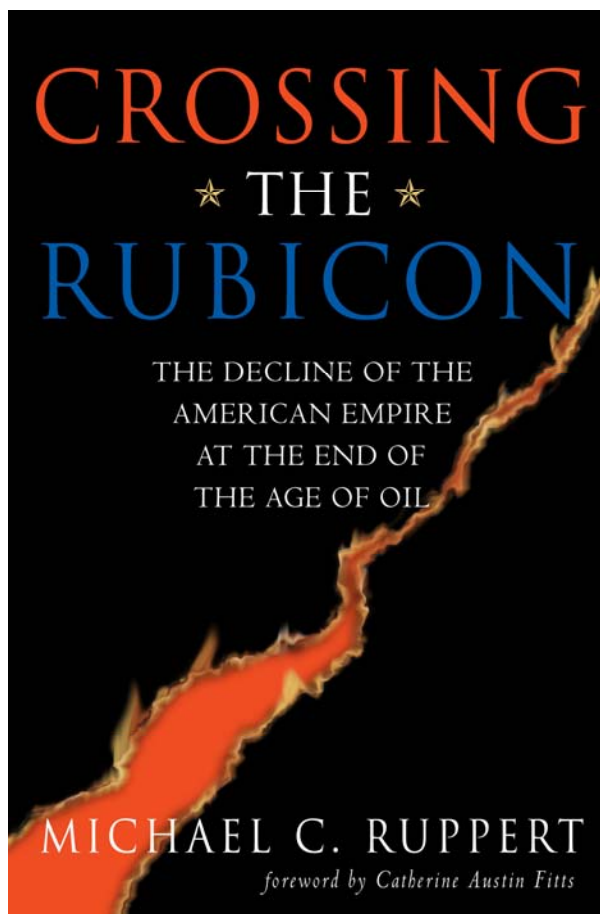
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In describing the contents of the book he has spent two and half years researching and writing Ruppert said:

“In my new book I will be making several key points:

1. I will name Richard Cheney as the prime suspect in the mass murders of 9/11 and will establish that, not only was he a planner in the attacks, but also that on the day of the attacks he was running a completely separate Command, Control and Communications system which was superceding any orders being issued by the NMCC, or the White House Situation Room;
2. I will establish conclusively that in May of 2001, by presidential order, Richard Cheney was put in direct command and control of all wargame and field exercise training and scheduling through several agencies, especially FEMA. This also extended to all of the conflicting and overlapping NORAD drills on that day.
3. I will also demonstrate that the TRIPOD II exercise being set up on Sept. 10th in Manhattan was directly connected to Cheney's role.
4. I will also prove conclusively that a number of public officials, at the national and New York City levels, including then Mayor Rudolph Giuliani, were aware that flight 175 was en route to lower Manhattan for 20 minutes and did nothing to order the evacuation of or warn the occupants of the South Tower. One military officer was forced to leave his post in the middle of the attacks and place a private call to his brother – who worked at the WTC – warning him to get out. That was because no other part of the system was taking action.
5. I will also show that the Israeli and British governments acted as partners with the highest levels of the American government to help in the preparation and, very possibly, the actual execution of the attacks.”

“There is more reason to be afraid of not facing the evidence in this book than of facing what is in it.”

Draft Extradition Update

As regular FTW readers know, four months ago we began contacting the embassies and consulates of 75 countries and asking the following question: "Under existing treaties, is _____ obligated to extradite fugitives (back) to the United States for draft evasion?"

Replies have come slowly, but since this chart was first published in the Feb '04 issue of this newsletter, we have received additional replies from the following countries: Argentina, Brazil, Colombia, Nigeria, Peru, Poland, and South Africa). Last updated April 22, 2004, this chart will be continually updated until all 75 countries on our list have responded. Updates can be viewed online, in Mike Ruppert's article, "Nowhere to Run, Nowhere to hide."

	Extradite Yes/No?	FBI LEGAT	NORTH- COM	NATO	ANZUS	CONDITIONS
Argentina	No*	Yes				* "Requested State may refuse extradition for offenses under military law that are not offenses under ordinary criminal law (article 4, military offenses-paragraph 4"
Australia	Yes	Yes			Yes	
Brazil	Yes	Yes				
Canada	Yes	Yes	Yes	Yes		
Colombia	Yes	Yes				Case by case basis
Germany	Yes	Yes		Yes		
Italy	Yes	Yes		Yes		
Mexico	Yes	Yes	Yes			
New Guinea	No					Will not extradite
New Zealand	No				Yes	Will not extradite if violation of military law
Nigeria	No	Yes				"No treaty exists between US and Nigeria to mandate repatriation of draft dodgers"
Norway	No			Yes		Discretion of Foreign Ministry
Panama	Yes	Yes				
Peru	Yes					Case by case basis
Philippines	Yes	Yes				
Poland	No	Yes		Yes		"Extradition can also be denied if military offense does not constitute a felony under existing national penal code (Art 5, subsection 4)"
Portugal	No			Yes		
Russia	No	Yes				"No agreement for extradition exists"
South Africa	No*	Yes				"The Executive Authority of the Requested State shall refuse extradition for offenses under ordinary criminal law."
Spain	Yes	Yes		Yes		
Sweden	No					No, if only crime is against military law
Switzerland	No	Yes				No, if only crime is against military law
Thailand	Yes	Yes				