



# ***FROM THE WILDERNESS***

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

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**Part I of a Special Two-Part FTW Series**

**The Real Stakes Behind the War**

- **With the UN Neutralized There Are No More Rules**
- **The U.S. Economy on the Brink**
- **Global Oil Shortages and Massive Price Hikes Imminent**
- **Paralysis Looming in U.S. Government**
- **The WTO and Rockefellers Turning on Bush**
- **A World War that Will Pit the U.S. Against Europe and Russia in a Struggle for Survival with the Winners Facing China**

# **THE PERFECT STORM**

## **Part I**

by Michael C. Ruppert

- And most of the American people, with their bankrupt and corrupt economy, will welcome cheap oil, while it lasts, and they will engage in a multitude of psychological and sickening rationales that will, in the end, amount to nothing more than saying, "I don't care how many women and children you kill. Just let me keep my standard of living." -- *From The Wilderness*, August 27, 2002.

- What does big oil want in Iraq? To regain influence over the great Middle East oilfields... and the race seems likely to be won by American and British firms: ExxonMobil, ChevronTexaco, Shell and BP – *Newsweek*, March 24, 2003 issue

- The most common cause of recessions, a surge in oil prices, is again afflicting the global economy – *The New York Times*, March 2, 2003

- French and Russian oil and gas contracts signed with the Saddam Hussein regime in Iraq "will not be honored," Kurdish Prime Minister Barhim Salih said in Washington Friday. – *Newsmax Wires* March 14, 2003

March 19, 2003 1700 PST, (FTW) – Diplomacy ended on Monday and the reality and risks of a global war are now placed in the immediate and unavoidable focus of a world which has for the most part chosen not to understand what is at stake. This war will not be fought solely with bullets and bombs. The chain of events which is about to be set in  
**(continued on page 13)**

# From The Wilderness

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# FTW Celebrates 5th Anniversary

## Thank you!

I sat down at my computer five years ago in utter frustration at the predictable and familiar moves to weaken the impact of the Gary Webb San Jose Mercury News series exposing direct CIA connections to the cocaine trade. I had seen these developments before and, after what was then 18 years of experience in dealing with the CIA, politicians, government agencies and the press, I felt that I had something to offer to people I knew who were trying to make sense of how the story was unfolding.

I sat down at my computer and wrote a short six-page newsletter which I decided to call From the Wilderness because I felt that I had been an unheard voice crying in the wilderness for too many years. There were many, many more like me and we had no voice, even though we had much insight and experience that could be of use to people who were making the same mistakes and falling prey to the same tactics that had sabotaged us.

I mailed out 68 copies of the first newsletter and I asked those who received it to send me \$25 each if they wanted me to write another the following month. The response was overwhelming.

Five years later, **FTW** now has more than 7,000 subscribers in 37 countries including more than 30 members of the U.S. Congress and the intelligence committees of both Houses.

Throughout all that time I have been regularly humbled by the support shown by our subscribers. You have seen us through two grave crises including one - a deliberate attempt by government agencies to bankrupt us in 2001 - where you opened your hearts and checkbooks, sending us more than \$11,000 to keep us going.

For five years I have had no standard or objective any higher than providing our readers with useful and important material that helps them understand the crazy, messed up world in which we live.

Since 9-11 we have more than tripled in size and we have become known and respected around the world. I have been proud to introduce you to many talented writers and some very great minds who otherwise would have had no voice.

We have made a difference.

We will continue to make a difference.

But none of this, absolutely none, would have been possible without the support and loyalty you, our subscribers, have shown us. By voting with your money and your time, you have given **FTW** legs to travel the world and influence it. This is just the beginning.

But as I look back on the last five years and all the miracles that have taken place, all the love and support we have been shown, I find it hard to say just how grateful I and all the **FTW** staff are for what you have made possible.

Thank you!



Mike Ruppert  
Publisher/Editor

# Unholy Grail: The Quest for Genetic Weapons

- **South Africa, Israel Have Sought “Ethnic Bombs”**
- **Genetic “Agroterrorism” Could Look Like an “Act of God” and the U.S., the Worlds’ Biotech Leader, Could become the Biggest Victim**

by Kéllia Ramares

[Since the attacks of Sept. 11, 2001 there has been a great deal of discussion and speculation as to whether or not gene-specific bioweapons might be used as a weapon of war or, in the gloomiest of scenarios, as an instrument of global population reduction to alleviate the inevitably drastic consequences of Peak Oil. *FTW* asked radio public affairs producer and investigative journalist Kéllia Ramares to take a critical look at whether such weapons actually exist. While not definitively establishing that such weapons do exist, Ramares had documented, in chilling detail, both the scientific feasibility of such weapons and the fact that several nations have been actively pursuing them for some time. - MCR]

“...to the extent that any country were to attack us with nuclear weapons then we obviously have a nuclear response. With respect to biologicals and chemicals, we have indicated it would be a swift, devastating response and overwhelming force. We have not indicated what that might entail. We’ve left that deliberately open.”

-- Secretary of Defense William S. Cohen in an interview for the *PBS* “Frontline” program “Plague Wars” aired on 10.13.98.

Mar. 4, 2003, 00:30 PST (FTW) -- Biological and chemical weapons are as old as the discovery of poison. Examples of chemical warfare go back at least as far as Ancient Greece, where Solon of Athens poisoned his enemy’s water supply during the siege of Krissa in 6th Century B.C.E.<sup>1</sup> In Europe, biological weapons, in the form of the bodies of plague victims being catapulted over the walls of a besieged city, go back to at least the year 1346.<sup>2</sup> In 18th Century North America, Indian populations were given smallpox infected blankets during the French and Indian War.<sup>3</sup> In modern times, there is evidence of a World War II-era Japanese biological weapons program and Japanese use of plague against the civilian Chinese population of Chiangking Province.<sup>4</sup> Out of World War II came the mushroom cloud that still haunts popular imagination. But the still-unsolved anthrax attacks in the U.S. in October 2001 and the White House’s insistence that Iraq is concealing chemical and biological weapons has again brought these types of weapons to public attention.

The Biological and Toxin Weapons Convention<sup>5</sup> prohibits the development, production and stockpiling of biological and toxic weapons. The BTWC was signed on April 10, 1972, and entered into force on March 26, 1975. The Convention is a disarmament treaty, meant to “exclude completely the possibility” of biological agents and toxins being used as weapons by abolishing the weapons themselves.<sup>6</sup>

The United States, the United Kingdom, and several countries thought by the United States Government to have bioweapons programs are original signatories to the BTWC. These include the Russian Federation, Iran, South Africa, South Korea and Syria.<sup>7</sup> North Korea, Iraq and Libya subsequently signed the convention.<sup>8</sup> The United States ratified the BTWC on March 26, 1975.<sup>9</sup> Non-signatories include several former Soviet republics in volatile Central Asia: Azerbaijan, Kazakhstan, Kyrgyzstan, and Tajikistan.<sup>10</sup>

The BTWC forbids work on offensive biological weapons. Perhaps the most egregious violation of the Convention has been the former Soviet Union’s offensive biological weapons program.<sup>11</sup>

The Convention allows defensive biological work, such as the development of vaccines. However, the line between defensive and offensive work is very thin; in order to make a vaccine or an antidote, one must first learn how a pathogen works, and that information could be put to offensive use.

## Biological and Chemical Weapons: Is their use inevitable?

In 1997, Secretary of Defense William S. Cohen reported that more than 25 countries had, or may be developing, nuclear, biological and chemical (NBC) weapons and the means to deliver them, and that a larger number were capable of producing such weapons, potentially on short notice.<sup>12</sup>

There are a number of reasons why, despite the BTWC, the use of biological and chemical weapons becomes more and more likely:

1) It is extremely difficult to monitor the creation of bioweapons because there are no critical raw materials, e.g. uranium or plutonium, the mining, manufacture or transportation of which could be evidence of the creation of the weapon; a small amount of a bioagent can do a lot of damage, so no major stockpiling is needed; <sup>13</sup>

2) Bioweapons are cheap compared to conventional and nuclear weapons, and can be economically developed through computer modeling. Furthermore, bioweapons do not require a large and expensive delivery infrastructure of conventional weapons, i.e. planes, aircraft carriers, missiles, etc.<sup>14</sup> For example, anthrax was sent through the U.S. mails in 2001;

3) The spread of human, animal or crop disease can be made to look like an “act of God” with no one able to trace the perpetrator(s); <sup>15</sup>

Additionally, smaller states with little or no nuclear capability can view chemical and biological weapons as a counterforce to the heavy nuclear and conventional capabilities of the United States, which is threatening possibly nuclear “preemptive action” under the so-called Bush Doctrine”.<sup>16</sup>

Biological and chemical weapons can be used by countries, corporations, terrorist groups, organized crime and disaffected or mentally ill individuals who would not have the means to build up a conventional or nuclear arsenal. Properly deployed, they have the capability of rapidly killing more people than a nuclear weapon. In an interview for the PBS television program Frontline in 1998, then Secretary of Defense William S. Cohen said, “If you look at the impact that a biological weapon can have, in terms of its cost and consequence, you will find that it does not take a great deal to develop it in terms of money. It has a major consequence if you were to, for example, take roughly 100 kilograms (about 220 pounds) of anthrax and you were to properly disperse [it], that would have the impact of something like two to six times the consequence of a one megaton nuclear bomb.”<sup>17</sup>

Moreover, the May 1997 *Report of the Quadrennial Defense Review* stated:

...the threat or use of chemical and biological weapons (CBW) is a likely condition of future warfare, including in the early stages of war to disrupt U.S. operations and logistics. These weapons may be delivered by ballistic missiles, cruise missiles, aircraft, special operations forces, or other means. To meet this challenge, as well as the possibility that CBW might also be used in some smaller-scale contingencies, U.S. forces must be properly trained and equipped to operate effectively and decisively in the face of CBW attacks. This requires that the U.S. military continue to improve its capabilities to locate and destroy such CBW, preferably before they can be used, and defend against and manage the consequences of CBW if they are used. But capability enhancements alone are not enough. Equally important will be adapting U.S. doctrine, operational concepts, training, and exercises to take full account of the threat posed by CBW as well as other likely asymmetric threats. Moreover, given that the United States will most likely conduct future operations in coalition with others, we must also encourage our friends and allies to train and equip their forces for effective operations in CBW environments.”<sup>18</sup>

The adaptation to future warfare involving CBW is being done in such a way as to increase the likelihood of such a war. The United States, and perhaps other nations as well, is engaging in so-called defensive research known as “threat assessment.” That means creating the threat, or a simulant of it, and testing its delivery by various means in order to assess how harmful it could be.

Dr. Barbara Hatch Rosenberg, Chair of the Federation of American Scientist’s Working Group on Biological Weapons and Director of the Federation’s Chemical and Biological Arms Control Program, has written that the outcome of threat assessment “may be a covert international arms race to stay at the cutting edge of BW development, using defence as a cover.” <sup>19</sup>

To make matters worse, the United States is moving toward more secrecy about the general conduct of its defensive research, a practice that could make other nations suspicious about the true nature of the research. It also appears that the U.S. is up to lawyerly tricks to evade the requirements of the Biological and Toxin Weapons Convention. Dr. Rosenberg has reported:

It is startling to find, in the Assessment Report of a meeting of US and UK defence officials, that ‘in the US these [relevant treaties, including the BWC] do not apply to the Department of Justice (DOJ) or Department of Energy.’ Therefore, the Report lists as one of the Recommended Actions for the US: ‘If there are promising technologies that DoD is prohibited from pursuing, set up MOA [memoranda of agreement] with DOJ or DOE.’ The US delegation to this event - the Non-Lethal Weapons Urban Operations Executive Seminar, held in London on November 30, 2000 - was led by four US Marine Corps Generals, including one who was Staff Judge Advocate to the Commandant of the Marine Corps.<sup>20</sup>

Chemical and biological weapons (CBW) create the possibility of warfare in which battlefields are intentionally or unintentionally rendered obsolete, as it may not be possible to confine diseases or chemicals to a limited geographical area. They also ensure a future of warfare, perhaps a very near future, in which civilians are not “collateral damage” but the prime targets. And the combination of a lowered moral barrier towards CBW, the stirring up of ages-old ethnic hatreds, and advances in genome research within the last decade has brought the genocidal possibility of genetic weapons, i.e., weapons that target some component of the genetic makeup (genome) of its victim, closer to reality.

So far, there is no proof that genetic weapons targeting any organism have actually been developed. But several countries have researched or are researching the subject. The possibilities for genetic weapons range from botanical pathogens that could wipe out a region’s crops in an act of military or economic warfare or terrorism, to the ultimate Hitlerian nightmare: the “ethno-bomb,” a weapon targeted at unique or nearly unique genetic characteristics of a population. (For the purposes of this article, pathogens that can harm anyone, but which are distributed, intentionally or accidentally, to a specific racial or ethnic group are not considered “ethno-bombs” or “ethnic weapons.” A strong case for HIV being a laboratory-created virus distributed intentionally or accidentally to Central Africa and the New York gay community via smallpox and hepatitis B vaccines is made by Dr. Leonard Horowitz in *Emerging Viruses: AIDS & Ebola - Nature, Accident or Intentional?*, (Tetrahedron, Inc., Rockport MA, 1996). In the worst case scenario of unintended consequences, government and corporate genome research intended for legitimate medical applications may someday provide the knowledge required to develop genetically specific ethnic weapons.

### **“Ethno-Bombs”: Warnings were raised a decade ago**

In 1993, RAFI-Rural Advancement Foundation International, now the ETC Group - Action Group on Erosion, Technology and Concentration,<sup>21</sup> raised concerns that the gathering of human genetic material by, among other organizations, the Human Genome Diversity Project (HGDP) could make feasible the development of ethnically targeted viruses.<sup>22</sup>

RAFI’s executive director, Pat Roy Mooney wrote: “Not since we warned, at the beginning of the 1980s, that herbicide manufacturers were buying seed companies in order to develop plant varieties that liked their chemicals, has RAFI borne the brunt of so much abuse.”<sup>23</sup>

But in 1996, Dr. Vivienne Nathanson, the British Medical Association’s (BMA) Head of Science and Ethics told a congress of the World Medical Association that ethnically targeted genetic weapons were now possible, and she cited as example the possibility of designing an agent that could sterilize or pass on a lethal hereditary defect in specific ethnic groups.<sup>24</sup>

In 1999, the BMA issued a report called *Biotechnology, Weapons and Humanity*<sup>25</sup>, which warned that genetic knowledge could be misused to develop weapons aimed at specific ethnic groups. The executive summary, available online, stated:

Over the last few decades rapid advances in molecular biology have allowed the heritable material (DNA) of different organisms to be interchanged. The Human Genome Project and the Human Genetic Diversity Projects are allowing the identification of human genetic coding and differences in normal genetic material between different ethnic groups.

During the review conferences on the BTWC, an increasing level of concern has been expressed by national governments over the potential use of genetic knowledge in the development of a new generation of biological and toxin weapons.

Legitimate research into microbiological agents, relating both to the development of agents for use in, for example agriculture, or to improve the medical response to disease-causing agents, may be difficult to distinguish from research with the malign purpose of producing more effective weapons.

Research that could be used to develop ethnic weapons has historically been based upon natural susceptibilities, or upon the absence of vaccination within a target group. Genetic engineering of biological agents, to make them more potent, has been carried out covertly for some years, but not as an overt step to produce more effective weapons. In genetic terms there are more similarities between different people and peoples than there are differences. But the differences exist, and may singly or in combination distinguish the members of one social group (an “ethnic” group) from another.<sup>26</sup>

### **Rapid Advances: How fast is fast?**

Advancements in genome research have occurred at an amazing pace. The U.S. Human Genome Project expects to complete the Human DNA Sequence in the spring of 2003,<sup>27</sup> two years ahead of the original schedule. RAFI’s (now ETC Group’s) Pat Roy Mooney has written:

The amount of genetic information being stored in the international gene banks is doubling every 14 months.... A quarter century ago, it took a laboratory two months to sequence 150 nucleotides (the molecular letters that spell out a gene). Now, scientists can sequence 11 million letters in a matter of hours. The cost of DNA sequencing has dropped from about US\$100 per base pair in 1980 to less than a dollar today [early 2001] and will be down to pennies by 2002. Standard gene sequencing technology once required at least two weeks and \$US20,000 to screen a single patient for genetic variations in 100,000 SNPs (single nucleotide polymorphisms). Now 100,000 SNPs can be screened in a few hours for a few hundred dollars.<sup>28</sup>

Single Nucleotide Polymorphisms (SNPs) are small genetic variations that occur in individuals. But studies are also being done by the SNP Consortium, an organization of private biotechnology firms,<sup>29</sup> to see how they vary from group to group. The groups being studied are African Americans, Asians and Caucasians.

### **Sequencing the Human Genome: What do genes say about race?**

The Human Genome Project has shown that 99.9% of human DNA is identical throughout the species and that there are more genetic variations within groups than between groups.<sup>30</sup> Thus, race, as we think of it socially, is a cultural construct, rather than a genetic one.

Yet, our eyes tell us that there are differences. All humans would look alike otherwise. It is also well known that certain ethnic groups have predispositions to certain illnesses. Something must account for those predispositions. Is that something in the .1% of non-identical genes scattered throughout humanity? More specifically, is that something explained by Single Nucleotide Polymorphisms?

When it comes to the development of “ethno bombs,” it’s the study of SNPs that most worries Edward Hammond, director of the Sunshine Project<sup>31</sup> and a former RAFI staff member. It’s the primary focus of the Sunshine Project to prevent new breakthroughs in biotechnology from being applied for military purposes. In an interview with *FTW* in January, 2003, Hammond said of SNPs:

What these are, put in more simple language, are little, small differences in the genetic code that are in all of us, but ones which can be at least theoretically related to a particular ethnic group or a particular kind of people. And so the fear is that these discoveries, that there are some very minor genetic differences that do seem to roughly break down somewhat along culturally defined ethnic lines, could become exploitable, particularly once we reach the point where genetic constructs that could be created by science could take advantage of a group of these. What I mean by that is that there are very, very few genetic differences that in and of themselves are markedly different from one population to another. However, if you could do a combination of factors, a combination of small differences in genes, there might be ways to roughly create something that you would call a genetic weapon.

If we arrive at the point where genetic weapons are possible, and I do believe that this will happen, the thing that I’m most concerned about are not the individual “disease” genes that have been identified in the past. [Ethnically related genetic disorders such as Cystic Fibrosis, Sickle Cell Anemia, or Tay-Sachs Disease]. Rather it is a combination of genes that occur in particular frequencies in different populations and by targeting the absence or the presence of a particularly small group of genes that seems to have some sort of ethnic association, than by that way, I think genetic weapons may become possible.

The rapid developments in genome mapping have enabled the Human Genome Project<sup>32</sup> to meet all its goals for 1994-1998, and to add two new goals for 1999-2003: the determination of human sequence variation [mapping the SNPs] and functional analysis of the operation of the whole genome [understanding how the whole system works]. These are two goals vital to creating ethnic-specific genetic weapons.<sup>33</sup>

### **Genetic weapons development: terrorists won’t try this at home**

We cannot be sure how many states are trying to develop genetic weapons. But we can be sure that the entities trying to develop them are states (possibly with the help of large corporate contractors) and not terrorist groups. This is because only states can manage the complex science genetic research requires. Dr. Claire Fraser, President and Director of the Institute for Genomic Research (Tigr) says that although genetic data on human pathogens are public, no one knows enough to turn this information into bioweapons. Speaking out against calls to classify now-public genome data, Fraser told *BBC News Online*: “I want to debunk the myth that genomics has delivered a fully annotated set of virulence and pathogenicity genes to potential terrorists. I have heard some describe genome databases as bioterror catalogues where one could order an antibiotic-resistance gene from organism one, a toxin from organism two, and a cell-adhesion molecule from organism three, and quickly engineer a super pathogen. This just isn’t the case.”<sup>34</sup>

Of course, once states create these weapons, it may be possible for terrorist groups to buy or steal them.

### **Who’s been doing what?**

Since all biological and chemical weapons are illegal, and since ethnic weapons are especially abhorrent, countries doing research in these areas don’t brag about it. Nor do the corporate media take much notice. Number 16 on Project Censored’s list of the 25 top censored stories for the year 2000 was “Human Genome Project Opens the Door to Ethnically Specific Bioweapons.”<sup>35</sup> But in recent years, some information has surfaced in government reports or corporate media indicating that some countries have been researching the possibility of ethnic weapons.

### **South Africa: Apartheid regime sought “black bomb”**

In the 1980s, South Africa's apartheid regime ran a biological weapons program called "Project Coast". According to an April 2001 U.S. Air Force Report<sup>36</sup> one of the program's goals was to develop a "black bomb" via genetic engineering research. The "black bomb" would weaken or kill blacks but not whites.<sup>37</sup>

In addition to the "black bomb," Project Coast planned to build a large-scale anthrax production facility to produce anthrax for use against black guerrilla fighters inside or outside of South Africa<sup>38</sup>, and to develop a drug that would induce infertility and could be given surreptitiously to blacks, perhaps under the pretext of a vaccine.<sup>39</sup> None of these goals were achieved. However, in one of the appendices to the USAF report, the authors asked, "In its genetic engineering experiments, how close was South Africa to a "black bomb"? Are other countries developing similar biological weapons?"<sup>40</sup>

### **Israel: CBW program finds genetic differences between Arabs and Jews**

On November 15, 1998, the *Sunday Times* of London ran a front page article reporting that the Israelis were planning an ethnic bomb.<sup>41</sup> The article stated that the Israelis were trying to identify distinctive genes carried by some Arabs, particularly Iraqis. "The intention is to use the ability of viruses and certain bacteria to alter the DNA inside their host's living cells. The scientists are trying to engineer deadly microorganisms that attack only those bearing the distinctive genes."

The article reported that the program was based at Nes Tziyona, Israel's main biological and chemical weapons research facility, and that an unnamed scientist there said that while the common Semitic origin of Arabs and Jews complicated the task, "They have, however, succeeded in pinpointing a particular characteristic in the genetic profile of certain Arab communities, particularly the Iraqi people." The report also quoted Dedi Zucker, a member of the Israeli Knesset (parliament) as saying, "Morally, based on our history, and our tradition and our experience, such a weapon is monstrous and should be denied."

Israel has never signed the Biological and Toxin Weapons Convention.<sup>42</sup>

### **The Human Genome Diversity Project**

The HGDP is an international project based at the Morrison Institute for Population and Resource Studies at Stanford University in Palo Alto, California.<sup>43</sup> HGDP is not a part of the Human Genome Project. The HGDP is of grave concern to people who believe ethnically targeted genetic weapons are on the horizon. Among these people is Dr. Barbara Hatch Rosenberg. When asked by *FTW* via email if she was concerned that the Human Genome Project and the Human Genome Diversity Project will pave the way for genotype specific weapons, she replied simply. "Yes."

The FAQ (Frequently Asked Questions) list of the HGDP does deal briefly with the issue of ethnic weapons:

Could these samples be used to create biological weapons that were targeted at particular populations?

Genocidal use of genetics is not possible with any currently known technology. On the basis of what we know of human genetic variation, it seems impossible that it will ever be developed. The Project would condemn and bar any effort to use its data for such purposes. The highly visible nature of the Project and its ethical constraints should make even the attempt less plausible.<sup>44</sup>

This answer is unsatisfactory on a number of levels. First of all, it was written in late 1993 and early 1994.<sup>45</sup> Subsequent revelations have indicated that such weapons are being attempted. That the Project would bar efforts to use its data for such purposes is unenforceable. The Project is putting its data in the public domain. How could it stop a government from surreptitiously using that data? The "highly visible nature of the Project and its ethical constraints" could make it unlikely that members of the Project would use the data for weapons development while they were members of the project. But what would prevent them from doing so in subsequent research for third parties?

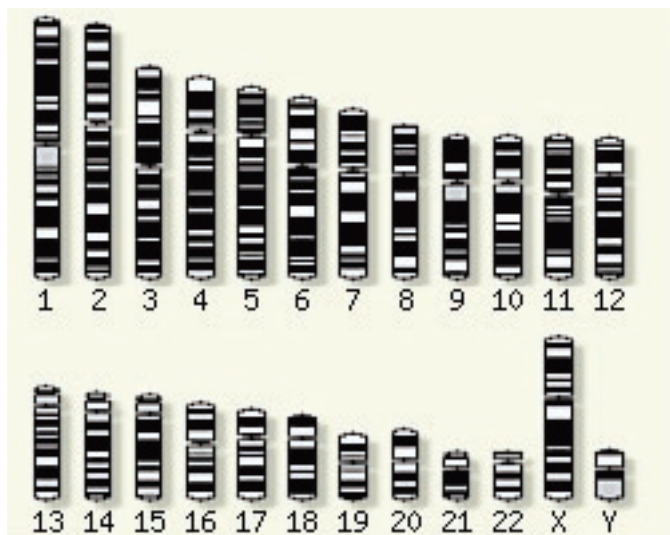
Lastly the conclusion that "on the basis of what we know of human genetic variation, it seems impossible that it will ever be developed" is likely premised on a false assumption that Edward Hammond pointed out in his interview with *FTW*:

One of the things that people say is that, 'Well, look. You're never going to be able to develop a genetic weapon that is perfect. Whatever combination of genes or whatever gene you target, is never going to have 100% occurrence in the population that you target. And in almost all likelihood, your own population is going to have that sequence.' In other words, even in the "best case scenario" of somebody who was evil enough to try to develop this kind of weapon, it's never going to be perfect. It's only going to get 70, 80% of the enemy who are going to potentially be subject to being affected by this weapon and you might have 5, 10, 15% of your own people potentially subject to this weapon. And so experts will say, 'You know, nobody's crazy enough to do that. Nobody would actually do that because, think of the risk that would pose to their own people. And think of the fact that it really isn't going to work against all of the enemy.'

I really don't think that that kind of rationality pervades the people that would potentially do this. And if you look at what happens in ethnic conflicts, certainly rationality and calculation about what ends you are willing to go to to get the other guy don't play out like that. So I think that there's a certain willful ignoring of the reality of how conflict takes place when people say

## Human Chromosomes

(Source: <http://www.ensembl.org>)



For example, NitroMed, Inc., a private biopharmaceutical company that is developing nitric oxide (NO)- enhanced medicines, is testing a drug called BiDil™, which is designed to improve survival in African Americans with heart failure.<sup>46</sup> A trial involving 600 African American men and women is now in progress, with the results expected in early 2004.<sup>47</sup>

But genome research, like many other forms of biological and chemical research, is “dual use.” And the U.S. Government appears to be very interested in its military applications. Note that the government’s Joint Genome Institute (JGI)<sup>48</sup> is not under the auspices of the Department of Health and Human Services. It is part of the Department of Energy, which often works hand-in-glove with the Defense Department.

DOE’s own explanation for its involvement in the Human Genome Project betrays military roots:

After the atomic bomb was developed and used, the U.S. Congress charged DOE’s predecessor agencies (the Atomic Energy Commission and the Energy Research and Development Administration) with studying and analyzing genome structure, replication, damage, and repair and the consequences of genetic mutations, especially those caused by radiation and chemical by-products of energy production. From these studies grew the recognition that the best way to study these effects was to analyze the entire human genome to obtain a reference sequence. Planning began in 1986 for DOE’s Human Genome Program and in 1987 for the National Institutes of Health’s (NIH) program. The DOE-NIH U.S. Human Genome Project formally began October 1, 1990, after the first joint 5-year plan was written and a memorandum of understanding was signed between the two organizations.<sup>49</sup>

The JGI web site describes the Institute as “virtual human genome institute” that integrates the sequencing activities of the human genome centers at the three JGI member institutions: Lawrence Livermore, Lawrence Berkeley, and Los Alamos National Laboratories. JGI partner institutions include Oak Ridge National Laboratory, Brookhaven National Laboratory, Pacific Northwest National Laboratory, and the Stanford Genome Center.<sup>50</sup> The Lawrence Livermore, Los Alamos and Oak Ridge laboratories are well known as nuclear weapons research facilities. Lawrence Livermore and Los Alamos are seeking to install high containment microbiology labs in their facilities. These labs could work with virulent organisms such as live anthrax, botulism, plague. Opponents of biowarfare are concerned that the United States is violating the Biological and Toxin Weapons Convention by genetically modifying anthrax.<sup>51</sup>

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-- Kéllia Rames earned a B.A. degree in economics, with honors, from Fordham University in New York in 1977. She also earned a law degree from Indiana University-Bloomington in 1980. She has been a reporter for KPFA-FM in Berkeley, CA for four years. There, her specialty is toxics reporting. Kéllia is also an Associate Producer for WINGS - Women’s International News Gathering Service, an Associate for OnlineJournal.com and a reporter for Free Speech Radio News, which is heard in over 50 stations throughout the United States. Kéllia’s latest project is R.I.S.E. - Radio Internet Story Exchange, a weekly Internet-based public affairs program. The R.I.S.E. website is <http://www.rise4news.net>.

**Coming in Part II** - Surprising evidence that gene-specific weapons are very much within reach. Plus a look at the deeper ethical questions behind gene research that leave room for great worry about the future, especially based on the conduct of the one nation most likely to possess these weapons, the U.S.

that these aren’t potentially practical weapons.

In light of the Israeli research into the genetic differences between Arabs and Jews, sharing Semitic origin, and in light of the overwhelming evidence that the United States Government had foreknowledge of the 9-11 attacks and allowed them to occur, resulting in the deaths of thousands of U.S. citizens, no one should assume that any weapon, genetic or not, would not be developed because some of the developer’s people might suffer the same fate as the targeted “enemy.”

### The U.S. and the “dual use” dilemma: Treatments or weapons?

A genome is the complete DNA makeup of an organism, be it human, animal or plant. Research on genomes could lead to greater understanding of how disease pathogens or genetic defects operate. This, in turn could lead to medical breakthroughs: gene therapies, treatments that take into account an individual’s genetically-based responses to medications, or treatments for conditions for which certain population subgroups are susceptible.



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# ROLLING START

## The Idiot Prince Will Have His War

by Stan Goff

[FTW asked retired U.S. Army Special Forces Master Sergeant Stan Goff to re-examine what we can expect on the battlefield when the United States begins its invasion. The former instructor of military science at West Point describes a scenario that is vastly different from what was expected last September before the Bush administration encountered effective economic and political opposition. Now denied the luxuries of a multi-front invasion from Turkey and Saudi Arabia, the U.S. war strategy has changed. The bottom line is that a great many more innocent civilians are going to be killed. And the first and possibly crippling breakdown of U.S. plans will happen in Kurdistan. – MCR]

March 17, 2003, 1500 hrs PST (FTW) -- The full-scale, unilateral U.S. invasion of Iraq appears – to many – to be imminent as this is written. In just hours, President Bush is expected to give Saddam Hussein a 72-hour ultimatum to leave the country or else the bombs start falling. I have a reservation or two left about that, based partly on hope, but partly on the even riskier assumption that this administration realizes that it has miscalculated and that the consequences of invasion may now outweigh the risks – from their standpoint – of no invasion.

The Bush regime seems to have a clear understanding of what desperate straits they were in well before 9-11. The empire is in decline, and this means Americans will have to reconcile themselves to a new world in which their profligate lifestyle becomes a thing of the past. Americans do not understand that this is an irremediable situation. That is why we are witnessing the beginning of what is possibly the most dangerous period in human history.

If the administration decides miraculously in the next few days not to invade, the most unthinkable risks will recede significantly. But this Junta has repeatedly displayed a reckless adventurist streak that alarms even their own political allies, and it appears that the hotter heads will prevail.

The actual tactical situation, never terribly auspicious because of the Kurdish wild card that receives far too little attention (and which I will address later), has deteriorated for the U.S.. The denial of a ground front from both Saudi Arabia and Turkey has completely reshuffled the tactical deck, and caused many a sleepless night for harried commanders from Task Force Headquarters all the way down to lonely infantry platoon leaders.

The ground attack will now go through Kuwait, a single front across which an unbelievable series of heavy, expensive, high-maintenance convoys will pass, many on long journeys to 18 provincial capitals, 19 military bases, 8 major oil fields, over 1,000 miles of pipeline, key terrain along minority Shia and Kurdish regions, as well as Baghdad. But attacking forces are not the only mechanized ground forces.

The huge logistical trains that must consolidate objectives, set up long-term lines of communication, and deliver daily support, will also be held up until airheads are seized within Iraq to augment ground transportation with airlifts of people and equipment. This shifts a higher emphasis onto airhead seizures (and therefore Ranger units), and forces the securing of the airheads themselves before they can become fully functional.

Baghdad may require a siege, which has already been planned. But now that siege doesn't begin without a much lengthier invasion timeline that depends much more heavily on airborne and airmobile forces that can be dropped onto key facilities to hold them until mechanized reinforcement can arrive. At this writing, the 101st Airborne (which is actually a helicopter division) has not even completed its deployment into the region. Sections of the 82nd Airborne (a genuine paratroop division) are still occupying Afghanistan.

The increased dependence on airlift is further complicated by weather. While extreme summer heat doesn't reach Iraq until May, the pre-summer sand storms have already begun. U.S. commanders have pooh-poohed the effect of these storms, but they are simply putting on a brave face for the public. Sand can be a terrible enemy. It clogs engine intakes, just as it clogs eyes and noses, gathers in the folds of skin, falls in food, works its way into every conceivable piece of equipment, and takes a miserable toll on materiel, machinery and troops. When air operations become more critical to overall mission accomplishment, and when light forces (like airmobile and airborne divisions) are operating independent of heavier mechanized logistics, weather like sand storms matters...a lot.

The order of battle is widely available on the web, and there's no reason to recount it here. The reason is, even with all these debilities and setbacks, the results of the invasion are certain. Iraq will be militarily defeated and occupied. There will be no sustained Iraqi guerrilla resistance. There will be no Stalingrad in Baghdad. We should not buy into the U.S. bluster about their invincibility, but neither should we buy into Iraqi bluster.

Last September, retired Marine General Paul Van Riper was selected to play the Opposing Forces (OPFOR) Commander named Saddam Hussein for a 3-week-long, computer-simulated invasion of Iraq, called Operation Millennium Challenge.

He defeated the entire multi-billion-dollar U.S. electronic warfare intelligence apparatus by sending messages via motorcycle-mounted couriers to organize the preemptive destruction of sixteen U.S. ships, using pleasure vessels. At that

point, the exercise controllers repeatedly intervened and told him what to do; move these defenders off the beach. Stop giving out commands from mosque loudspeakers. Turn on your radar so our planes can see you. Because every time Van Riper was left to his own devices, he was defeating the U.S..

While all this is surely amusing, does it really mean the Iraqis will defeat the U.S. during an invasion?

Certainly not. It will, however, make it far more expensive, slow, difficult, and deadly for Iraqis.

The Iraqi military won't prevail because they can't. They are weak, under-resourced, poorly led, and demoralized. What the delays mean is that the U.S. will depend on sustaining the initiative and momentum through brutal, incessant bombing designed to destroy every soldier, every installation, every vehicle, every field kitchen in the Iraqi military.

War will inflict terrifying casualties on the Iraqi military. There will be collateral damage to civilians, even with attempts to attenuate that damage, and in case we fail to remember, soldiers are like everyone else. They have families and loved ones.

What is uncertain is the aftermath.

This is the variable that is never factored into the thinking of our native political lumpen-bourgeoisie; their deeds plant the seeds of future and furious resistance.

If half million Iraqi soldiers die, and 100,000 civilians are killed in collateral damage, we have to remember that there are at least (for the sake of argument) five people who intensely love each of the dead. And if we think of the grief of millions after this slaughter, and of the conversion of that grief into rage, and combine that with the organization of the internecine struggles based on historical ethnic fault lines (that the Ba'ath Party has repressed), we begin to appreciate the explosive complexity of post-invasion Iraq.

This invasion will also ignite the fires of Arab and Muslim humiliation and anger throughout the region.

Most importantly, in my view, there are the Kurds.

Anyone who has followed the news has heard about "Saddam's" gassing of the Kurds. That's how it is portrayed. Nonetheless, few people have bothered to find out what the truth is, or even to investigate this claim.

Stephen Pelletiere was the Central Intelligence Agency's senior political analyst on Iraq during the Iran-Iraq war. He was also a professor at the Army War College from 1988 to 2000. In both roles, he had access to classified material from Washington related to the Persian Gulf. In 1991, he headed an Army investigation into Iraqi military capability. That classified report went into great detail on Halabja.

Halabja is the Kurdish town where hundreds of people were apparently poisoned in a chemical weapons attack in March 1988. Few Americans even knew that much. They only have the article of religious faith, "Saddam gassed his own people."

In fact, according to Pelletiere – an ex-CIA analyst, and hardly a raging leftist like yours truly – the gassing occurred in the midst of a battle between Iraqi and Iranian armed forces.

Pelletiere further notes that a "need to know" document that circulated around the U.S. Defense Intelligence Agency indicated that U.S. intelligence doesn't believe it was Iraqi chemical munitions that killed and aimed the Kurdish residents of Halabja. It was Iranian. The condition of the bodies indicated cyanide-based poisoning. The Iraqis were using mustard gas in that battle. The Iranians used cyanide.

The lack of public critical scrutiny of this and virtually all current events is also evident on the issue of the Kurds themselves.

That issue will come out into the open, with the vast area that is Kurdistan, with its insurgent armed bodies, overlaying Iraq, Iran, Turkey, and even parts of Syria, which will realign the politics and military of the entire region in yet unpredictable ways.

As part of the effort to generate an Iraqi opposition, the U.S. has permitted Northern Iraqi Kurdistan to exercise a strong element of national political autonomy since the 1991 war. This is a double-edged sword for the U.S. in its current war preparations, particularly given this administration's predisposition for pissing all over its closest allies. Iraq's northern border is with Turkey, who has for years favored the interests of its own Turkmens in southern Turkish Kurdistan at the expense of the Kurds, who have waged a guerrilla war for self-determination against the Turks since the 1970s.

The Partiya Karkeren Kurdistan or PKK (Kurdish Worker's Party), Turkish Kurds fighting for an independent Kurdish state in southeast Turkey, was singled out on the U.S. international terrorist organization list several years ago, in deference to fellow NATO member, Turkey. PKK leader Abdullah Ocalan is so popular with the Kurds that Turkey was forced to commute his death sentence, subsequent to his capture, to life imprisonment, for fear that his execution would spark an uprising.

Other non-leftist Kurdish independence organizations developed and alternatively allied with and split with the PKK and each other. Turkey now claims that PKK bases are being constructed in Iran, with Iranian complicity, from which to launch strikes against Southern Turkey. Groups other than the PKK, more acceptable to the U.S., predominantly the Kurdistan Democratic Party (KDP) and the Kurdistan Patriotic Union (PUK) have been administering Northern Iraqi Kurdistan as an autonomous zone under the protective umbrella of the U.S. no-fly zone. The Turkish government fears the influence of this section of Kurdistan in the wake of a U.S. military action that topples Saddam Hussein's Ba'ath government, because Kurds have declared their intention of declaring an independent Kurdish state there. The Turks find this absolutely unacceptable, and have declared forthrightly they will invade to prevent this happening. They have also threatened to attack Kurds in Iran, but this is a far less credible threat.

Kurdish nationalists have long experience with betrayals and alliances of convenience, and know American perfidy very well. They have declared at the outset that in the event of an invasion, they will defend themselves from Turkish incursions. They are not willing to lose the autonomy they have gained over the last eleven years in northern Iraq. This not only puts them

at odds with U.S. ally Turkey, it potentially puts them at odds with the U.S. itself, even with U.S. wishes that they participate in indigenous actions against Iraqi forces. The U.S. does not want that region destabilized in the post-invasion period, because Kirkuk in the East of Iraqi Kurdistan is a huge oil-producing zone.

The very first complication of post-invasion Iraq will likely be the demand that U.S. commanders disarm the Kurds.

Northern Iraq could easily become contested terrain involving partisan warfare between Turks, Kurds of three factions, the Iranians, and the U.S., with the Syrians in a position to play the silent interloper. This would amount to the devolution of northern Iraq, a key strategic region, into another Afghanistan or Somalia. It is already straining relationships between Turkey and the United States, NATO allies, even as the NATO alliance itself comes under severe strain, with a Euro-American trade war as a backdrop.

And the Kurds have the motivation, tenacity, and fighting spirit to do those kinds of things that General Van Riper did to defeat the Rumsfeld "Robo-Military" in Operation Millennium Challenge.

We begin to see how the Bush Junta is the equivalent of a mad bee keeper, that no longer leaves the hive stable and merely smokes it into a stupor to harvest the honey. It now proposes to simply start swatting all the bees and taking the honey by brute force.

We cannot see the war as an extricable, external phenomenon. We have to see it as it is embedded in the larger complexities of the whole period. When the cruise missiles fly at 400 per day, that is 400 times \$1.3 million in self-destructing technology. Thirty days of this is \$15.6 billion in Cruise missiles alone. This is great news for Raytheon and Lockheed-Martin, but it is bad news for public schools. At the antiwar demonstration in Washington DC, March 15th, I met many more teachers, now wearing buttons that said "money for education not war." This is a reflection of the deepening consciousness of the American people, but one that has not yet grasped the depth of the crisis that drives the war. Nor does it measure how every missile's impact increases the rage of the Southwest Asian masses and the justifiable anxieties of Africa and East Asia.

The real bet that Bush & Co. make on this war is that it can secure oil at \$15 a barrel, rescue dollar hegemony, gain the ability to wage its economic war on China and Europe, and inaugurate a fresh upwave of real profit. That will not happen.

When the invasion goes, we will certainly see plenty of images of cheering "liberated" Iraqis. This is common after any successful military incursion, a combination of real relief in some cases, as we saw in the first stage of the 1994 Haiti invasion, but also of self-defense and opportunism.

The costs incurred by the war, combined with the insane Bush tax cuts for the rich, will deepen the Bush regime's economic conundrums. The coming social crisis in the U.S. will emerge against a backdrop of elevated public expectations. The hyperbole employed by this administration to justify this war, against rapidly strengthening resistance and a corresponding loss of credibility outside the indoctrinated and gullible United States, led them to warn the public about perpetual "war on terror," but with the sugar coating that there would be no domestic economic sacrifice. The mountain of personal and institutional debt in the U.S., the threat of deflation, the trade deficit, the overcapacity, the rising unemployment and insecurity, all these factors will be worsened by the Bush doctrines. And Bush, like his father before him, will go down. Along with him, Tony Blair and Jose Maria Aznar will go down in political flames, and it will be a long time indeed before anyone can align themselves with the U.S. as an ally. As in the last elections for the Republic of Korea, candidates will find that election victory depends on now independent one can prove oneself of the United States.

We have had our course charted now, and the military option is all the U.S. ruling class really has to maintain its dominance. After Iraq, there will certainly be increased asymmetric warfare, "terrorism," if you will, directed at Americans, American institutions, American targets. And when the rest of the world recognizes how thinly spread the U.S. military is, thinly spread physically, but also economically because it is not a sustainable institution in its current incarnation, rebellions will occur. They have already started. Then the response of the weakening U.S. will be to lash out, often with totally unforeseeable consequences, just as the consequences of this impending invasion are unforeseeable.

Our military might is no longer a sign of strength, and the U.S. military is not invincible. Its use as both first and last resort is a sign of profound systemic weakness. That its employment could destabilize the world, and cause us to stumble into a Third World War is a real possibility.

We in the antiwar movement have struggled to protect the Iraqi people. We may fail in that. But as resistance fighters in WWII or national liberation fighters in the post-colonial era, we must differentiate setbacks from defeat, when we suffer those setbacks we can not be demoralized and demobilized. We will keep our eyes on the fact that the system itself is failing and this adventure is a symptom of that failure, and continue to work for the political destruction of our current regime as a tactical necessity. The perfect storm is coming. It's in the genetic code of the system right now and inevitable. And while we don't know how it will look, we have to keep our eyes on the prize - emancipation from the whole system, and let that be our lodestar. Never quit. Never. We are in the stream of history, and we have been given a grave and momentous responsibility. Every day we delayed them was a victory.

There is a long struggle ahead, and it will become more terrible. But just as those before us fought slavery, apartheid, fascism, and colonialism, we will take up our historical task with confidence and determination, and assert our humanity against these gangsters.

Freedom is the recognition of necessity.

**(continued from page 1, *The Perfect Storm - Part I*)**

motion dictates that the United States, assuming its Iraqi conquest is successful, continue upon a series of global military occupations to control the last remaining significant oil reserves on the planet. With the shedding of the first blood, the dropping of the first bomb, the killing of the first Iraqi child, and the death of the first American serviceman, a one-way border will have been crossed. And with that crossing economic and political forces that might combine to form the Perfect Storm aimed at America, have made themselves visible.

George W. Bush's United States will punish its recent adversaries at the U.N. They will be cut out of the Iraqi spoils. But Germany, France, Russia and China have a much more realistic view of Iraqi oil than the U.S. does. Bush and his corporate allies have marketed to the markets that sometime in the next month or two we're going to see a real bonanza as oil prices fall back to \$15-20 dollar per barrel and stay there. It is not going to happen.

On March 7, *FTW* Contributing Editor for Energy, Dale Allen Pfeiffer broke down the reality of Iraqi oil. It's not what's in the ground that counts now, it's what can be gotten to market. The Bush gamble is a big long shot and getting longer by the minute. Iraqi oil infrastructure is crumbling after twelve years of sanctions and there won't be any increase in Iraqi production without major investment and rebuilding. That takes time. *The Guardian* disclosed on January 26 that the U.S. is currently buying more than a million barrels per day (Mbpd) from Iraq out of the ten million that it imports from around the world. What might happen if just that million barrels went away?

For a detailed look at the current state of Iraq's oil industry please visit:

[http://www.fromthewilderness.com/free/ww3/030703\\_us\\_intentions.html](http://www.fromthewilderness.com/free/ww3/030703_us_intentions.html)

What we know from previous stories in *FTW* is that the world has no spare production capacity to make up for any significant loss of supply in Iraq. Sure OPEC has stated that they will increase production by 3 to 5 Mbpd. Venezuela has staged a remarkable recovery after the recently failed "strike" to reach 3 Mbpd of its pre-strike level of 4 Mbpd. But Venezuelan fields are old, tired, depleting fast and the oil is heavy and expensive to refine. Venezuela offers no cushion. The promises of Saudi Arabia and the other Mid East OPEC nations, on their face, sound comforting but they mean nothing because the planet is consuming a billion barrels (Gb) of oil every 12 days and that rate of consumption is increasing. Recent stories by the Agence France Presse (March 12) and the BBC (March 10) tell us that auto sales jumped 48% last year in Thailand and 50% in China respectively. This is the double-edged sword behind Peak Oil. Without increased sales of consumer goods and autos, the Western economies collapse anyway and the emerging economies of the Far East are steadily increasing both consumption and demand.

So if Iraqi production drops as a result of war, where will the U.S. make up the difference and how much will it cost? Bush has indirectly threatened to punish France, Germany and Russia by locking them out of the promised booty. All of them, especially France and Russia have major investments there. But those countries still have something the U.S. does not, access to a ready supply of oil in the short term from Russia, which no doubt has guaranteed its allies supply to make up for any losses from Iraq. If he really wanted to play hardball, Russian President Vladimir Putin could bifurcate his pricing structure to favor the Moscow-Berlin-Paris alliance. He would find ready sympathy from Russian oil companies now eliminated from collecting on approximately \$40 billion worth of new oil construction contracts and an \$8 billion Iraqi debt. Russia has not forgotten how it was shamelessly looted out of an estimated \$500 billion by Goldman Sachs, The Harvard Endowment and the U.S. Treasury during the 1990s. That shameless episode, which rendered Russia incapable of resisting U.S. military moves post-9/11, resulted in what a committee chaired by Congressman Christopher Cox, R-CA described as three times worse than the Great Depression.

The whole issue of Peak Oil has been moved ahead of schedule by Europe. Within a few short years the entire planet will begin to suffer societal collapse as a result of diminishing non-renewable resources. Russia has long passed its production peak and cannot continue pumping at wildly expanded rates for very long. It might take 2 to 5 years before production costs for the dregs inevitably shrink exports. But Moscow, Paris and Berlin don't need 3 years. The complete devastation of the U.S. economy might be a sure thing in 3 to 6 months. That's how fragile it is.

And what has Putin got to lose? He knows that the American agenda is to secure those reserves that have not yet peaked (i.e. The Persian Gulf sans Iran), drive the price of oil down to \$13-20 per barrel, break OPEC's back and simultaneously destroy the economic recovery that \$40 oil is bringing to Russia, which spends much more to produce its oil than OPEC does.

France, Germany and Russia have not opposed the American Empire lightly, nor will their resistance end now. In fact, it must intensify. The fact that these nations have not introduced a Security Council resolution condemning the invasion might signal that they are hedging their bets and it might also signal that they are just awaiting the first U.S. misstep, which is sure to come. But a clue is that, of the three, Russia has bluntly labeled the U.S. invasion illegal. These countries know that the Bush administration has placed the United States in a violent, all-or-nothing position and that it has less than a 50-50 chance of winning.

While the blood is being shed the real battle will be economic and political; the dollar vs. the Euro, images of bombs and tanks vs. images of reason, caution and diplomacy. In the meantime, the U.S. economy has placed all its hopes and stability on a bonanza of cheap oil which careful analysis shows is more fantasy than probable outcome. Even the Council on Foreign Relations agrees on this point.

In a brilliant Feb. 11th analysis of the current oil situation, Marshall Auerback, writing for *The Prudent Bear* web site, quoted from a recent CFR report co-sponsored by Bush crony, oil man and former Secretary of State James Baker:

"Notwithstanding the value of Iraq's vast oil reserves, there are severe limits on them, both as a source of funding for post-conflict reconstruction efforts and as the key driver of future economic development. Put simply, we do not expect a bonanza."

Worse, according to a March 17 story in the *Miami Herald* revenues from Iraqi oil would not cover the costs of rebuilding the bridges, dams, power-generating stations and roads that are sure to be destroyed in the coming weeks. The U.S., of necessity, will turn all cash flow toward rebuilding the oil fields while it must leave the devastated Iraqi populace to live in pestilence among the rubble. In light of America's unilateral bullishness the EU announced last week that there might be limits to how much assistance it could render to the Iraqi people, especially if their countries were prevented from performing on their legal contracts.

Multiple recent reports from the oil industry state clearly that recent price hikes are the result of over-stretched production capacity and historically low reserve levels. Currently U.S. oil reserves are at a 28-year low and the White House has acknowledged plans to tap the 700 million barrel Strategic Petroleum Reserve at the start of the conflict. That's enough to protect the U.S. economy from further price shocks for about 70 days. Then what? Under the best of circumstances it takes Mid-East oil about 6 weeks to get from the oil fields into your gas tank.

Further confirmation of Peak Oil's arrival is found in recent stories from *AP* and *The Guardian* stating that Norway, once a major exporter, is expecting a decline in production and drilling due to dwindling reserves and that Shell has just eliminated one fifth of its North Sea jobs. And on March 18, Hong Kong announced that it will allow eight airlines to levy an emergency fuel surcharge of between \$8.50 and \$13 per passenger.

At home, soaring gasoline prices are just the ticket the Bush administration wants to curb demand and exploit a subliminal unspoken deal with consumers that will sanction the slaughter and keep the poll numbers manageable for a while. But economic demons are bashing down the door. "Americans vote with their wallets" is the cliché. On March 16, angry black residents staged a protest in Los Angeles claiming that they could not afford to drive to work while paying two dollars a gallon. On the one hand they don't have a clue about what the global oil reality is and, on the other, they will achieve nothing by demanding lowered prices and more supply without realizing that there is no more cheap oil to supply them – or anybody else for that matter. At least there is certainly not enough to make a difference for more than a few months or a year. But with less discretionary income to absorb the price shocks, the inner city poor are the prototypes for what the rest of us will be doing soon enough.

The poor always die first. And this is just one of the many signs that the Empire is starting to crumble from within.

Consider:

- The Bush Administration refuses to put a price tag on the war as budget deficits approach all-time record levels and the tax base is shrinking. Both the U.S. government and its people are awash in debt. Unemployment is skyrocketing as consumer confidence crashes. State and local governments are screaming for money and facing their worst budget shortfalls in sixty years.

- Writing at The Ether Zone, <http://www.etherzone.com/>, Ed Henry notes that with the national debt at over \$6 trillion the U.S. government is bouncing along the debt ceiling which means that it legally cannot borrow any more money. Its options are to sell more bonds (not likely with an anemic dollar, bad management, and an expanding trade deficit) or liquidate assets. One of the few assets available to Treasury Secretary John Snow is the stock portfolio of the Federal Employees Thrift Savings Plan which has about \$44 billion in stock investments. What do you think would happen on Wall Street if Uncle Sam dumped \$40 billion in stock?

- Backbones of the housing mortgage market Fannie Mae and Freddie Mac which, according to the *New York Post's* brilliant reporter John Crudele, own or guarantee \$3.1 trillion or 45 per cent of outstanding residential debt, are in serious trouble. They don't have enough cash to handle what might be a serious economic shock as the housing bubble collapses. Their collapse could imperil the entire economy and Crudele observed that the Federal Reserve was taking serious note of the way these "mortgage cowboys" had managed their business in inflating share prices that are now in steep decline.

- Market Oracles Warren Buffet and George Soros are issuing dire predictions about the U.S. and world economies. Soros is blasting at George W. Bush's management style and Buffet is warning of derivatives time-bombs in what Britain's *Telegraph* calls an "apocalyptic warning."

There are serious signs of a major political revolt brewing in the United States, one that could end the Bush Presidency. George W. Bush still has his finger on the trigger and he knows that his only hope for survival is to pull it. U.S. and British intelligence agencies are leaking documents left and right disputing White House "evidence" against Iraq that has repeatedly been shown to be falsified, plagiarized and forged. Quiet meetings are being held in Washington between members of Congress and attorneys like Ramsey Clark discussing Bush's impeachment. Leaders of the World Trade Organization (WTO), as reported in a March 15 story in the *International Herald Tribune* have said, "All international institutions would suffer a loss of credibility if the one superpower appeared to be choosing which rules to obey and which to ignore." And a Rockefeller has called for an investigation of a Bush. On March 14, *The Associated Press* reported that Senator Jay Rockefeller (D.-W.VA) has asked the FBI to investigate forged documents that were presented first by Britain and then the United States showing that Iraq had been trying to purchase uranium from the African country of Niger for its weapons program. Of all the glaring falsehoods told by the administration, the fact that these forgeries were noted by a Rockefeller may make them the third-rate Watergate burglary of the 21st century. (See Part II)

There are few things more closely connected to or identified with Bush family power than globalization and the Rockefellers.

He has most likely failed both of them and both have the power to remove him.

Too much, too little, too late; at least as far as preventing a war and massive carnage is concerned. But these developments suggest that the real powers that be might be getting ready to have Bush impeached just as soon as he has humiliated the United States, started a World War leading to the deaths of perhaps millions of people, destroyed the efficacy of the United Nations and secured the Iraqi oil fields. This is a playing field that the biggest money might desire and for which it might be willing to offer a sacrifice if it becomes necessary. If the war turns out to be a dismal failure then the scapegoat has volunteered for his own hanging and there are signs that it is being prepared.

One thing is certain. If George W. Bush is removed from within, it will signal nothing other than the installation of a new "kinder, gentler" set of managers pursuing the exact same agenda as before. The dirtiest work will have been done.

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# THE PERFECT STORM

## Part II

- **“Shock and Awe” Is “Mocked and Flawed” -- War Plan Stumbles as Bush Tells CNN, “It’s Gonna Take a While to Achieve Our Objective... This Is Just the Beginning of a Tough Fight.” -- U.S. Soldiers Captured, Iraqi Resistance Significant and Toughening**
- **U.S. Press/Political Hostility to Bush Administration Intensifies – Major Papers Discussing Criminal Behavior, Impeachment as Focus Intensifies on Forged Niger Uranium Docs – Cheney, Powell and Rumsfeld Implicated**
- **Oil Bonanza Fading as Economic Indicators Weaken in an Unstable Environment – Iraqi Oil Deliveries Interrupted – Reality Tramples Market Exuberance**
- **Turk-Kurdish Chaos More Likely**
- **Has the U.S. Been Set Up by Europe, Russia and China?**

By Michael C. Ruppert

March 24, 2003, 2100 EDT (*FTW*) – Atlanta, Military, economic, oil, and political storms continue to gather and converge in what may become a Perfect Storm for the Bush Administration and the United States economy.

On the fifth day of a U.S. military campaign rejected by the U.N. Security Council, at least 12 U.S. soldiers have been captured by Iraqi forces near al Nasiriyah even as various foreign news sources are reporting that as many as four to ten of the vaunted M1A1 Abrams main battle tanks have been destroyed in combat. A helicopter aircrew has been captured further north. ABC has reported that coalition casualties are approaching 200. Promises that Iraqi civilians expecting liberation would greet coalition troops with open arms have been unfulfilled as Iraqi resistance stiffens on a daily basis. In a tragic event, an African-American Sergeant of the 101<sup>st</sup> Air Assault Division staged a grenade attack on tents occupied by his comrades-in-arms, killing one and wounding fourteen. The fallout from this tragedy will have lasting repercussions on the psyches of both U.S. military and civilian populations. Images of an American Black man face down and handcuffed - no matter how serious the offense - will not fade quickly and will further erode an extremely fragile and increasingly volatile domestic landscape. The suspect is Muslim.

Saddam Hussein and his forces are now gaining strength, political cachet, and popular support with each new engagement while coalition forces lose it with every casualty and delay. One of the first questions asked at a somber, live press conference at Central Command headquarters in Qatar on Sunday was, “Has America gotten itself into another Vietnam?” This question came after only three days of ground combat. Around the Arab and Muslim world, Saddam Hussein’s picture is becoming an icon of anti-colonial resistance. Over a thousand years of European and American history, the Arab world has never given in easily to occupying forces; they always prefer one of their own – no matter how distasteful – to an outsider. The Crusades were the earliest lesson for Europe and the Suez crisis of 1956 the most recent.

Consistent with predictions made in *FTW*, the Turkish government, poised to send several brigades into northern Iraq, is threatening to turn Northern Iraq into absolute chaos. The Kurds who live in the region ethnically blur the borders of Syria, Turkey, Iraq and Iran and their support is critical to U.S. military plans. Having sought an independent homeland for decades, they have been consistently used by the U.S. and western powers for covert operations and destabilization programs and they

have always been betrayed later. At the moment **FTW** gives a 50-50 likelihood that the U.S. will ultimately – and after much protestation for effect – allow the Turkish incursion. That will instantly create a highly unstable and balkanized region. The U.S. has historically both created and preferred “balkanization” to secure commercial control of natural resources and civilian populations with devastating results for anyone living in the region. This could ultimately – if the U.S. invasion is successful – result in Iraq being divided into three or more separately governed regions.

The instability created by such a development would likely spread throughout the Middle East quickly. None of the region’s borders has existed for more than eighty years and all of them were drawn by departing colonial powers. Perceptions in Saudi Arabia of this kind of trend might automatically require U.S. forces to engage in a two-front war if the already unstable Saudi regime begins to fracture and weaken.

To date, this writer has seen no reportage of how the Saudi populace is reacting to a war plan that is stumbling. For approximately six months, **FTW** has been reporting that Saudi Arabia would likely become unstable with the invasion and that American war planners might be planning for a nearly simultaneous operation to control Saudi oil fields, which contain 25% of all the oil on the planet. But as the efficacy of U.S. military might comes into question, the brass ring of oil becomes ever more elusive and a Saudi occupation becomes a military goal out of reach.

In the meantime, there are increasing signs that the U.S. political and economic elites are laying the groundwork to make the Bush administration, specifically Bush, Cheney, Rumsfeld, Powell, Perle and Wolfowitz, sacrificial scapegoats for a failed policy in time to consolidate post 9-11 gains, regroup and move forward. These indications include: written press attacks on the Bush administration by select journalists long known for their loyalty and obedience to financial interests and the CIA; a growing revolt from within the intelligence communities of the U.S. and the U.K. including damaging leaks undermining the credibility of the administration; serious economic consequences closing in on the financial markets; growing signs of pending oil shortages; and indications that the use of forged documents by the Bush and Blair regimes may become the Watergate burglary of the 21<sup>st</sup> century.

### **THE WRITTEN PRESS TURN ON BUSH, BIG TIME**

While most of the American people rely on television coverage for their worldview, those within the government, politics and the financial markets look to a select group of entrenched print journalists to sniff the winds of political change. Those winds started blowing against George W. Bush and his administration before the war began. In what appears to be intensifying anti-Bush rhetoric, an unprecedented media effort is beginning to cut the legs from under the administration even as it gambles everything on an increasingly elusive military victory.

March 12 – Beginning with a relatively unknown press organization, it was reported at [www.informationtimes.com](http://www.informationtimes.com) that 35 members of the U.S. Congress, overwhelmingly Democrat, had flatly rejected the U.S. war effort and were calling for a repeal of the February resolution authorizing the president to use force against Iraq.

March 12 – On the same day, journalistic heavyweight Howard Fineman of *NEWSWEEK* reported that the “blame game” had already begun for a war that had not. He wrote “But few think it’s going to be easy. And my guess is that team discipline inside the Bush administration is about to be fractured by the collateral damage that already is being caused by a war we have yet to fight. We are embarrassingly alone diplomatically, and State Department underlings (privately) blame Rumsfeld & Co. Inside the Pentagon - but outside of Rumsfeld’s office – I’m told that E-Ring brass have adopted what one source calls a ‘Vietnam mentality,’ a sense of resignation about a policy...they seriously doubt will work...”

“This time around is a different story. The closer we get to the event, the less Bush is in control of events...”

March 14 – *The Los Angeles Times*’ Greg Miller reported that a State Department document was contradicting the Bush administration’s claim that the Iraqi invasion would encourage the spread of democracy.

“A classified State Department report expresses doubt that installing a new regime in Iraq will foster the spread of democracy in the Middle East, a claim President Bush has made in trying to build support for a war, according to intelligence officials familiar with the document.

“The report exposes significant divisions within the Bush administration over the so-called domino theory, one of the arguments that underpins the case for invading Iraq.”

The story specifically singled out Pentagon hawks Richard Perle and Paul Wolfowitz as objects of criticism by the U.S. intelligence community.

March 15 – *The International Herald Tribune* reported that top officials of the World Trade Organization had also started turning on Bush by reporting, “...officials said they feared that American moves within the organization and toward a war in Iraq would weaken respect for international rules and lead to serious practical consequences for the world economy and business.

“In the past months the United States has compiled one of the worst records for violating trade rules...”

“They said they were worried that all international institutions would suffer a loss of credibility if the one superpower appeared to be choosing which rules to obey and which rules to ignore.”

The WTO, globalization, is the heart of the economic power bloc that brought Bush into power.

March 16 – The big guns at *The Washington Post* begin to open fire. In a lengthy story on the controversial Carlyle Group, a major private investment bank with which both the President and his father have deep financial connections, Greg Schneider made some absolutely stunning statements:

“David M. Rubenstein is exasperated, and he blurts something that a quick look around the room proves is outrageous: “We’re not,” he nearly shouts, “that well connected!

“Behind him is a picture of Rubenstein on a plane with then-Gov. George W. Bush. Across the room, a photo of Rubenstein with the President’s father and mother. Next to that, Rubenstein and Mikhail Gorbachev. Elsewhere: Rubenstein and Jimmy Carter. On a bookshelf: Rubenstein and the pope...”



"Rubenstein, after all, is founder of the Carlyle Group..."

"But the connections have cost Carlyle, in ways that are hard to measure. It has developed a reputation as the CIA of the business world – omnipresent, powerful, a little sinister..."

"Last year then-congresswoman Cynthia McKinney (D-Ga.) even suggested that Carlyle's and Bush's ties to the Middle East made them somehow complicitous in the Sept. 11 terror attacks. While her comments were widely dismissed as irresponsible, the publicity highlighted Carlyle's increasingly notorious reputation. Internet sites with headlines such as "The Axis of Corporate Evil" purport to link Carlyle to everything from Enron to Al Qaeda.

"We've actually replaced the Trilateral Commission' as the darling of conspiracy theorists, says Rubenstein – who, truth be told, happens to be a member of the Trilateral Commission.

"It didn't help that as the World Trade Center burned on Sept. 11, 2001, the news interrupted a Carlyle business conference at the Ritz-Carlton Hotel here attended by a brother of Osama bin Laden. Former President Bush, a fellow investor, had been with him at the conference the previous day..."

"The company has rewarded its faithful with a 36 percent average annual rate of return..."

"Times are changing, though. It's no longer valid to assume that Carlyle's golden roll of all-stars automatically opens doors in certain parts of the world, says Youssef M. Ibrahim of the Council on Foreign Relations in New York. 'George Bush junior is kind of screwing his father up, slowly but surely, in terms of securing relationships in the region,' Ibrahim says of the Mideast. The current administration's support for Israel, its hostility toward Iraq and its rocky dealings with the Saudi royal family have soured business and political relationships alike, he says."

[To view previous *FTW* stories on the Carlyle group please visit [www.fromthewilderness.com](http://www.fromthewilderness.com).]

March 16 – On the same day as the Carlyle story, one of *The Washington Post's* biggest pundits for several decades, Walter Pincus, fired a serious shot into the administration's belly. To veterans of the 1996-98 popular nationwide campaign to expose CIA connections to cocaine trafficking, Pincus' name will be remembered as one of the chief defenders of the CIA. In fact, Pincus has been one of the Post's primary CIA conduits for more than thirty years. In 1967, he wrote a short feature for the Post titled, "How I Traveled the World on a CIA Stipend."

In a story titled "U.S. Lacks Specifics on Banned Arms", Pincus described how U.S. "Senior intelligence analysts say they feel caught between the demands from the White House, Pentagon and other government policymakers for intelligence that would make the administration's case 'and what they say is a lack of hard facts,' one official said.

"The assertions, coming on the eve of a possible decision by President Bush to go to war against Iraq, have raised concerns among some members of the intelligence community about whether administration officials have exaggerated intelligence in a desire to convince the American public..."

Pincus went on to detail how key U.S. Senators like Carl Levin and John Warner were questioning data that had apparently been misrepresented and/or hidden from the U.N.

An ominous note at the end of the story, reminding anyone who read it of Watergate and the demise of the Nixon presidency, added "Staff Writer Bob Woodward contributed to this report."

March 18 – Pincus returned again, in the company of Post Staff Writer Dana Milbank, to place more bricks in the wall that might seal the administration's fate. The story titled, "Bush Clings to Dubious Allegations About Iraq" opened with the lead, "As the Bush administration prepares to attack Iraq this week, it is doing so on the basis of a number of allegations against Iraqi president Saddam Hussein that have been challenged – and in some cases disproved – by the United Nations, European governments and even U.S. intelligence reports."

The story went on to document misrepresentations by George Bush, Dick Cheney and Colin Powell that made it clear that if George W. Bush was going down his whole administration was going with him. It was now a part of the official Washington record that all three had been guilty of misrepresentations to the press and the American people.

March 20 – Columnist Craig Roberts, writing in the traditionally pro-Republican, conservative *Washington Times* delivered perhaps the most shocking signal that the power establishment, which should have stopped the war before it started, was moving to set the administration up for a fall.

In a column titled "A Reckless Path", Roberts' lead paragraph read:

"Will Bush be impeached? Will he be called a war criminal? These are not hyperbolic questions. Mr. Bush has permitted a small cadre of neoconservatives to isolate him from world opinion, putting him at odds with the United Nations and America's allies."

It got worse from there.

"...On the eve of Mr. Bush's ultimatum, it came to light that a key piece of evidence used by the Bush administration to link Iraq to a nuclear weapons program is a forgery. Sen. Jay Rockefeller of West Virginia, the ranking Democrat on the Senate intelligence committee, has asked the FBI to investigate the forged documents that the Bush administration has used to make its case that Saddam Hussein possesses weapons of mass destruction."

Amazingly, Roberts then went on to make a comparison with Adolf Hitler's faked attacks by SS soldiers dressed as Polish troops in 1939 to justify the invasion of Poland, which started the Second World War.

Roberts closed his column with a dire warning. "Mr. Bush and his advisers have forgotten that the power of an American president is temporary and relative."

March 22 – One of *The New York Times'* chief experts on intelligence, with close contacts at the CIA, is James Risen. Whenever reading a Risen story it's a safe bet to assume that it was fed to him directly by CIA headquarters. In a story headlined, "CIA Aides Feel Pressure in Preparing Iraqi Reports" Risen wrote:

"The recent disclosure that reports claiming Iraq tried to buy uranium from Niger were based partly on forged documents has renewed complaints among analysts at the C.I.A. about the way intelligence related to Iraq has been handled, several intelligence officials said.

"Analysts at the agency said they had felt pressured to make their intelligence reports on Iraq conform to Bush administration

policies.

"For months, a few C.I.A. analysts have privately expressed concerns to colleagues and Congressional officials that they have faced pressure in writing intelligence reports to emphasize links between Saddam Hussein's government and Al Qaeda.

"As the White House contended that links between Mr. Hussein and Al Qaeda justified military action against Iraq, these analysts complained that reports on Iraq have attracted unusually intense scrutiny from senior policy makers within the Bush administration.

"A lot of analysts have been upset about the way the Iraq-Al Qaeda case has been handled,' said one intelligence official familiar with the debate."

## **INTELLIGENCE AGENCIES TURN ON BUSH/BLAIR**

It has been happening for two months now. Leaks, protests, even overt criticisms from those like former senior CIA analyst Stephen Pelletier, who has revealed that it was Iran rather than Iraq which had killed thousands of Kurds in massive poison gas attacks in the 1980s. More recently we have seen British intelligence personnel leak information to the press showing that Britain's infamous intelligence dossier on Iraq's weapons of mass destruction (WMD) had been plagiarized from outdated information in graduate student papers and that the U.S. National Security Agency (NSA) has engaged in illegal wiretapping of U.N. officials in attempts to secure enough votes for a resolution in support of the invasion. One or perhaps two of these events could be explained as the actions of individuals. But the frequency and number of these attacks is suggesting that the intelligence services, which view themselves as permanent and enduring institutions as compared to passing administrations, are slowly pulling structural supports from underneath the Bush and Blair administrations' platform.

On February 8, *Counterpunch* published a statement by a group calling itself Veteran Intelligence Professionals for Sanity (VIPS) which gave Secretary of State Colin Powell a C- grade for providing "context and perspective" on Iraqi weapons and intent. The statement specifically and correctly chided the Bush administration for making the violation of a U.N. resolution a pretext for war pointing out that Israel's refusal to comply from a U.N. resolution calling for its withdrawal from territories occupied in 1967 has never been addressed.

[NOTE: Israel is currently in violation of 64 U.N. resolutions as opposed to Iraq's 17]

The VIPS statement also vigorously disputed any notion that Iraq posed any immediate threat to the U.S. and quoted CIA reports supporting that position. It also disputed Bush/Powell contentions that Iraq had any previous involvement with terrorist activities. Revealing what may actually be an intention of the Bush administration, VIPS stated, "Indeed, it is our view that an invasion of Iraq would ensure overflowing recruitment centers for terrorists into the indefinite future."

And, striking a chord that is sure to resonate in millions of U.S. military veterans, VIPS observed, "Reminder: The last time we sent troops to the Gulf, over 600,000 of them, one out of three came back ill – many with unexplained disorders of the nervous system. Your Secretary of Veteran's Affairs recently closed the VA healthcare system to nearly 200,000 eligible veterans by administrative fiat."

Stories from early March in Britain's *The Observer* actually produced a copy of a Top Secret NSA memorandum calling on allied intelligence agencies to increase their wiretapping and monitoring of U.N. diplomats who might swing a Security Council vote in favor of the U.S. While reportage on this major breach of international trust and protocol has gone away, the rage felt by many diplomats has not. It was later disclosed that an employee of British intelligence who was outraged by its contents had leaked the memo. However, reading between the lines, this writer suspects that the leak took place with a wink and a nod from higher ups.

By March 14, the activities of VIPS were getting favorable coverage by the Associated Press, a sign that powers controlling both the media and the intelligence services were pushing the agenda. Although varying editions of the story appeared in print, on the AP web site and in different parts of the country, the basic story retained a key lead sentence. "A small group comprised mostly of retired CIA officers is appealing to colleagues still inside to go public with any evidence the Bush administration is slanting intelligence to support its case for war with Iraq."

Such a statement from intelligence veterans has serious repercussions in a discipline that is noted for never leaking information. That is, unless there is an agenda that intelligence agencies themselves are pursuing. In those cases the CIA plays the media, as one CIA executive once described, "like a Mighty Wurlitzer."

As resignations of outraged civil servants are stacking up on both sides of the Atlantic like freshly cut firewood, the Bush administration was also seriously hurt by the resignation of the top Bush National Security Council official in charge of terrorism, Rand Beers. A March 19 UPI story, while repeating the Bush administration position that Beers' resignation was not because of administration deceit and vanishing credibility, left no doubt that Beers, widely respected in Washington, was just plain fed up and possibly sensing a sinking ship.

## **OIL'S NOT WELL**

The utterly ridiculous and unjustified drop in oil prices and upsurge in the Dow last week is belied by real data on oil supplies as the Iraqi invasion stumbles. As the war intensifies some real garbage and some occasional gems of truth are coming from the major media.

First, it is a given that while the war is in progress, Iraqi oil exports are virtually non-existent. The port region around Basra – which accounts for well more than half of Iraqi exports -- is virtually shut down. One pipeline running from northern Iraq to the Turkish port of Ceyhan is reported to be intact but there are no reports as to whether oil is actually flowing. It's not likely. What this means is that it is a safe bet that two million plus barrels per day (Mbpd) have been taken out of world supplies.

In the face of this, *BusinessWeek*, in the February 24 issue, has engaged in the outrageously dishonest reporting that the Caspian basin may hold 200 billion barrels (Gb) of reserves and that there are some three trillion barrels of proven conventional

oil remaining on the planet. Extensive research conducted by *FTW* has shown that Caspian reserves have been verified by drilling results over the last three years to be only around 40 Gb and are a major disappointment. *FTW* data was derived through extensive research in oil and gas journals, official government reports and by direct interviews with oil executives who have been in the region.

Planetary reserves of conventional oil are only about one trillion barrels or enough to keep the world supplied for approximately 30 years in an ever tightening and ever more expensive marketplace that threatens economies all over the globe. Motives for the *BusinessWeek* deception would include providing propaganda cover for the fact that the invasion of Iraq is totally about oil and also give false confidence to investors as financial and equity markets teeter on the brink of collapse.

*The Wall Street Journal*, however, on March 18, recently engaged in some serious truth telling. In a page-one story titled "Why the U.S. IS Still Hooked On Oil Imports", the Journal reported:

"President Bush says hydrogen power will lead to energy independence... Mr. Bush is almost certain to be proved wrong, at least in the next couple of decades."

After acknowledging that oil price spikes have always led to recessions, the *Journal* relied on an extensive body of research of the statements of OPEC founder, Saudi Sheikh Zaki Yamani to hit at one of the core motivators for the Iraqi invasion – oil production costs. Not every country or region spends the same amount of money to produce a barrel of oil. And nowhere is oil cheaper to produce than in the Persian Gulf. The Journal quoted Yamani as stating at a 1980s OPEC meeting, "Let's see how the North Sea can produce oil when prices are at \$5 a barrel."

The Journal continued: "At low prices, the Persian Gulf countries have an unbeatable edge. In the mid 1980s it cost them a couple of dollars a barrel to produce oil. It cost about \$15 a barrel off the coast of Britain and Norway or in the U.S." That was in the 1980s. Credible estimates of North Sea production costs in dying fields now place the cost per barrel at over \$20.

Russia has current estimated production costs of between \$19 and \$27 a barrel which reveal the key to everything that's going on now. The world is running out of oil. In order to save a teetering U.S. economy the Bush administration is betting on the rapidly diminishing hope that it can get Iraqi oil back on the markets and available to the U.S. at a price of between \$15 and \$20 per barrel. If the prices drop to the levels Bush needs, OPEC loses its profits and Russian oil becomes uncompetitive in the market place.

Bush is not going to get his way.

In a major development, it was reported on Saturday that growing unrest in Nigeria, an OPEC member and the world's sixth largest exporter, had shut down the Chevron Texaco pumping facilities. A story in today's *Economist* confirmed earlier reports that both Chevron and French giant TotalFinaElf had not only shut down production but ordered evacuations of all their personnel. These moves take an immediate 330,000 barrels a day out of world supplies and they also hearken back to recent lessons learned in Venezuela after a massive strike shut down Venezuelan production. Refineries and wells don't operate at the flip of a switch. They require a constant flow of chemicals and products to keep their systems primed. When recovering from a shut down, it often takes a considerable period to reach previous production levels.

While OPEC has announced that it will increase production to offset shortages, its ability to do so is limited to perhaps a 3-5 Mbpd increase. That's a drop in the bucket in current tight markets and in a world that consumes a billion barrels every twelve days. Iraqi oil fields will require billions of dollars of investment and years to increase Iraqi production to five or eight Mbpd. And that clock will only start ticking once the country is secure and safe, an outcome that is not at all guaranteed at the moment.

In the meantime, according to *The Financial Times* today, the Mexican government has announced its intent to start selling U.S. dollars on world currency markets. This move could further weaken an already shaky U.S. dollar, especially if other nations, angered at the U.S. invasion of Iraq, follow suit. Since oil is currently purchased in dollars, inevitable future oil price spikes could become doubly painful for the U.S. economy as the dollar loses value.

## **BUSH'S WATGERATE BURGLARY**

"At the Security Council, some are questioning the veracity of any U.S. claim regarding Iraq." – The Boston Globe, March 16, 2003

The first official report that documents prepared on stationery of the governments of Niger and Iraq detailing a planned sale of uranium to Iraq were forged came on March 7. Mohamed ElBaradei, the chief nuclear inspector for the International Atomic Energy Agency told the U.N. Security Council that the documents, "were not authentic." The first paper to break the news was London's *Financial Times*. The documents, not very clever or convincing, failed to convince the U.N. but were, however, included in British Prime Minister Tony Blair's now legendary flawed intelligence dossier, which had been presented to Parliament on Sept. 24, 2002.

*The Washington Post* picked up on the story on March 8 where it reported that, "The forgers had made relatively crude errors that eventually gave them away – including names and titles that did not match up with the individuals who held office at the time the letters were purportedly written, the officials said."

The *Post* reported administration officials as giving the somewhat lame excuse, "We fell for it." No one even tried to suggest a motive for someone other than the Bush or Blair regimes to commit the crime.

Not everyone fell for it. As reported in what are now at least a half dozen stories, the CIA was suspicious of the documents and purposely left them out of their own report on Iraqi weapons. That did not, however, prevent George W. Bush, Colin Powell, Donald Rumsfeld or Dick Cheney from touting them as authentic. The State Department even authoritatively referred to the documents in a December 19, 2002 Fact Sheet titled "Illustrative Examples of Omissions From the Iraqi Declaration to the United Nations Security Council".

By March 13, *The Post* was back with a story indicating that the FBI was looking into the source of the documents and "the possibility that a foreign government is using a deception campaign to foster support for military action against Iraq."

Huh? Is there some country out there we haven't heard of that really hates Iraq other than the U.S., Britain or Israel?

The *Post* story closed by saying, "The CIA, which also had obtained the documents, had questions about 'whether they

were accurate,' said one intelligence official, and it decided not to include them in its file on Iraq's program to procure weapons of mass destruction."

This begs the question as to whether CIA Director George Tenet told Bush or Cheney or Powell that the documents were forged. That's his job above all else: to give the President reliable and trustworthy intelligence.

On March 14, Ken Guggenheim of The Associated Press reported that Senator Jay Rockefeller (D-WVa.), ranking member of the Senate Intelligence Committee had called the FBI and asked for an investigation of the documents. Rockefeller's full name is John D. Rockefeller, IV and he is a direct descendant of the same family that essentially brought the Bush family into power. What is amazing here is not only that someone has requested an investigation of just one of the hundreds of Bush administration inconsistencies and proven lies since 9-11, but that it was a Rockefeller who requested it. That reality has thundered throughout Washington's power corridors like an earthquake.

*FTW* placed calls to both FBI headquarters and Rockefeller's Washington offices asking for comment or further information. An FBI spokesperson told *FTW* that the Bureau had nothing to say. After hearing what the topic was, a Rockefeller spokesperson promised to call back but did not.

Colin Powell immediately started denying that the State Department had anything to do with creating the forgeries. No one had accused him! And the story picked up "legs" in print media around the world.

By the 15<sup>th</sup>, CNN had picked up the story on its web site and had added damning observations about the childish, crude and "obvious" nature of the forgeries that "should never have gotten past the CIA." But the CIA had already established a record saying that it never trusted the documents. Asked about the documents on *Meet the Press* the previous Sunday, Powell simply stated, "It was the information that we had. We provided it. If that information is inaccurate, fine."

Not so fine.

Where did the documents come from? Already inconsistent finger pointing, eerily reminiscent of the loose threads pulled on by Woodward and Bernstein in 1972 and 1973 are starting to surface. Powell says he doesn't know where the documents came from. Britain is remaining silent and the government of Niger has issued a blunt statement indicating that the documents were forged in London and Washington.

My guess is that they were forged inside the National Security Council rather than at the CIA. The CIA would have done a better job. Can you say, "Iran-Contra"?

The most scathing blow to date – and there are sure to be more – came from Congressman Henry Waxman (D, Ca.) who, in a six-page March 17 letter to George Bush, created a locked-down record of Bush's, Cheney's, Rumsfeld's and Powell's use of the documents, even pointing out that the President had made reference to the documents in his State-of-the-Union address in January by saying, "The British government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa." Waxman noted next that, "a day later, Defense Secretary Donald Rumsfeld told reporters at a news briefing that Iraq "recently was discovered seeking significant quantities of uranium from Africa."

Waxman closed his letter with three chilling questions that may now distance George Tenet from George W. Bush and his cabinet, who will all go down together if it becomes necessary. Waxman asked the President to directly address:

1. Whether CIA officials communicated their doubts about the credibility of the forged evidence to other Administration officials, including officials at the Department of State, the Department of Defense, the National Security Council, and the White House;
2. Whether the CIA had any input into the "Fact Sheet" distributed by the State Department on December 19, 2002; and
3. Whether the CIA reviewed your statement in the State of the Union address regarding Iraq's attempts to obtain uranium from Africa and, if so, what the CIA said about the statement.

I can hear the distant echoes of Senator Howard Baker in the Senate Watergate hearings asking, "What did the President know and when did he know it?"

## THE PERFECT STORM

It's all coming together on the radar screen and the chances are that these storms are going to merge. In this all out economic war of survival, as Peak Oil forces its way into the public consciousness, Russia will likely continue to provide Saddam with arms and technical assistance. France may well share intelligence. China, with the slightest nod, can contribute tactical advice and many mines for the Mediterranean. All of them can indirectly, and through plausibly deniable methods, foster and supply revolts in oil producing regions around the globe. And they can all laugh and deny as the U.S. tries to point a finger at them. This has all been done before.

In the meantime Vladimir Putin can cushion his allies with cheap oil as the U.S. starts to die of thirst.

Before Americans become outraged that such a scenario might be unfolding, I would remind them that every one of these tactics has been employed by the United States in spades against each of these countries for more than fifty years. It was the U.S. that chose this course to begin with. The tragedy, of course, is that the American people will suffer greatly as the storms converge. The truth is that the American people have never been any more of a concern to the powers that be than the people in the rest of the world have, except that giving them a higher standard of living made them compliant and dumb. It appears as if even that is no longer necessary. The destruction of American credibility and the transfer of its wealth are necessary steps in the creation of the New World Order.

Everything might just come crashing down all at once and if that happens the powers that rule will sacrifice their little Caesar and cut a deal with the other nations quickly. Just as in Shakespeare's play, there will be many wounds in Caesar's body, inflicted by many different people. But most certainly one of the daggers will be found in the hand of George Tenet and the CIA. He knows where the real power resides.

- **A Sobering Look at the Oil Numbers Behind the U.S. Panic to Invade Iraq**
- **Bush Knew of Peak Oil Before Taking Office**
- **Natural Gas Picture Worsens**

# U.S. INTENTIONS

by Dale Allen Pfeiffer

Mar. 7, 2003, 1400 PST (FTW) -Journalist Julian Darley has a very good web site, [www.globalpublicmedia.com](http://www.globalpublicmedia.com), featuring video interviews with notables such as Colin Campbell and Matthew Simmons. Matthew Simmons is the president of Simmons & Co. International, a company which specializes in investment banking to the energy industry. The Campbell interview<sup>1</sup> is a very informative chat at the petroleum geologist's home in County Cork, Ireland. It is well worth perusal. The Matthew Simmons interview<sup>2</sup> was recorded in an office of his business suite, and is also very informative—though it is disappointing to see a person so perceptive standing firmly behind George W. Bush. However, in his interview, Matthew Simmons made two very big revelations.

In the first instance, Mr. Simmons was discussing his email correspondence with a senior assistant to former secretary of energy Bill Richardson. The senior assistant informed Mr. Simmons in 1999 that she was accompanying Secretary Richardson on a visit to every OPEC country. Mr. Simmons told her that if he was undertaking such a tour, he would ask each country what was their spare oil capacity. Upon returning to the United States, the senior assistant called Mr. Simmons and told him that she was quite shocked by the responses to this question. In country after country, she was told that they were already pumping at or near capacity. For practical purposes, OPEC has no spare capacity.

Several of my associates have suspected as much. But in this interview, Matthew Simmons verifies the fact that OPEC is already pumping at or very close to full capacity. This means that to meet growing demand, oil must be found somewhere else. And OPEC most probably cannot increase output to cover a crisis such as the Venezuelan strike, or the disruption of Iraqi oil production in the event of another Gulf War. In fact, it was only a year after Secretary Richardson made his OPEC tour that world oil production appeared to peak, beginning the cycle of rising oil prices and tanking economies that we have been in since. Though Matthew Simmons did not spell it out, this is the clearest indication to date that we are at peak oil production.

The second revelation was more political than technical. Matthew Simmons states in this interview that he advised the Bush campaign and the subsequent Bush administration of the energy situation. This admission makes it very clear that George W. Bush and his administration knew about the approaching energy crisis before even stepping into the White House. Thus, as we have said at *FTW*, oil depletion has loomed in the background of every decision made by this administration and every action undertaken.

In his recently released book, *The Party's Over*<sup>3</sup>, Richard Heinberg backs up this assertion and goes on to say that the CIA has monitored the oil business for some time. Indeed, the CIA subscribes to the yearly report of oil analysts Petroconsultants, and so must have seen the 1995 report "The World's Oil Supply". This publication, at a cost of \$35,000 per copy, predicted that global oil production would peak in the first decade after the turn of the century.<sup>4</sup>

As we have stated before, Bush needed some catastrophe such as 9-11 to justify an endless war on multiple fronts. He needed it to provide cover for an oil grab. Of course, a superpower such as the United States always acts on a nexus of reasons and in pursuit of multiple goals, but greed for oil has been a major impetus behind pretty much everything this administration has done since taking office. Could oil really lie behind Bush's push to unseat Saddam Hussein? Perhaps we should rephrase this question: How could oil *not* lie behind Bush's push for the conquest of Iraq?

## IRAQ

Even unnamed senior U.S. defense officials are stating that the plan is to take the oil fields as quickly as possible, supposedly to protect them from Saddam.<sup>5</sup> British troops will be used to seize the oil fields so as to thwart the appearance of a U.S. oil grab. However, ExxonMobil is in the lead position for rehabilitating the Iraqi oil fields. Oil executives are quoted as saying there is a desperate need to find another 80 million barrels per day to meet growing oil demand.<sup>6</sup> Might we add that this growing demand cannot be met elsewhere because of the abovementioned lack of spare capacity.

Even after seizing Iraq's oil fields and quelling unrest throughout the country, the oil majors will find it very difficult to increase Iraqi oil production in the short term. They may even have to cut production from its current level, as Iraq has been using unsound methods to pump the amount of oil which they are currently generating. Before the 1991 Gulf War and the decade long Iraq-Iran War, Iraq was pumping an average of 3.5 million barrels per day (b/d).<sup>7</sup> In 2001, Iraq averaged 2.45 million b/d, and experts say their current sustainable production capacity could go no higher than 2.8-3.0 million b/d.<sup>8</sup>

Most of Iraq's current oil production is centered around three large fields, the Kirkuk field in the north of Iraq (10+ billion barrels), the East Baghdad field in the central part of the country (11+ billion barrels), and the Rumailah fields in the south of Iraq (10+ billion barrels).<sup>9</sup> There are two other very large fields in southern Iraq which are basically untapped to date: the

Majnoon field near the Iranian border (20+ billion barrels, possible as much as 30 billion barrels), and the West Kuma field closely associated with the Rumailah field (15+ billion barrels).<sup>10</sup> Other notable fields are Nahr bin Umar (6+ billion barrels), Rattawi (3.1 billion barrels), Halfaya (2.5-4.6 billion barrels), Zubair (4 billion barrels), Nassiriya (2-2.6 billion barrels), Suba-Luhais (2.2 billion barrels), Bai Hassan (2 billion barrels), Buzurgan (2 billion barrels), Khabboz (2 billion barrels), Abu Ghirab (1.5 billion barrels), Khormala (1.5 billion barrels), Tuba (1.5 billion barrels), Gharraf (1.0-1.1 billion barrels). All told, including a number of smaller fields not mentioned here, Iraq holds proven assets of 112 billion barrels of oil. The unexplored regions of the Western Desert could add as much as another 100 billion barrels to this total. The area is known to contain oil-bearing Jurassic, Triassic and Paleozoic formations, though they are buried much deeper than the eastern formations and so might provide more natural gas than oil.<sup>11</sup>



Much of Iraq's oil industry was damaged during the 1991 Gulf War. Completely destroyed were the gathering centers and compression/degassing stations at Rumailah, storage facilities, and pumping stations along the Iraqi Strategic (North-South) Pipeline.<sup>12</sup> Many sizable fields were damaged and have remained unrepaired. Sixty percent of Northern Oil Company's facilities in northern and central Iraq were damaged during the Gulf War.<sup>13</sup> Iraq's oil export infrastructure was also severely damaged during both the Iraq-Iran War and the 1991 Gulf War. Pipelines, ports and pumping stations have all been affected. And Iraq's two main Persian Gulf tanker terminals, Mina al-Bakr and Khor al-Amaya, were heavily damaged during the Gulf War. Damage to Mina al-Bakr appears to have been largely repaired over the past decade. Khor al-Amaya, on the other hand, was severely damaged during the Iraq-Iran War and then completely destroyed during Operation Desert Storm.<sup>14</sup>

During the decade of sanctions following the 1991 Gulf War, Iraq tried to maintain production at existing fields despite an embargo on spare parts and oilfield equipment. Many of the reservoirs in production have been damaged through mismanagement and the use of questionable techniques in an effort to increase current

production at the price of future production. In addition to the naturally occurring problem of water cut in Iraq's southern wells (the damaging intrusion of water into oil reservoirs), many fields have been damaged by the practice known as water flooding in order to boost current production. Iraq's oil minister stated that in 2002 only 24 of 73 Iraqi oil fields were producing. Oil consulting firm Saybolt International has pointed out the risk of a 5% to 15% annual production decline at damaged Iraqi oil fields. A U.N. report in June 2001 said that Iraqi oil production capacity would fall sharply unless technical and infrastructure problems were addressed. And U.N. Secretary General Kofi Annan has warned of a possible "major breakdown" in Iraq's oil industry if spare parts and equipment are not forthcoming. The United States has resisted any efforts for a long term solution to the problems, insisting on only short-term improvements to the oil industry. According to the head of the U.N. Iraq program, Benon Sevan, the number of holds placed on contracts for oil field equipment threatens the entire program with paralysis. Sevan stated in January 2002 that the United States placed over 80% of the holds, which affect nearly 2,000 contracts worth approximately \$5 billion.<sup>15</sup>

Solving these problems will require major investment from a consortium of international oil companies. It will take at least a decade to double output, providing there is no further damage done. It will take at least \$7 billion worth of investment to bring Iraq back to its 3.5 million b/d production level. Pushing past that level to 5.5 million b/d will require at least \$20 billion of investment. Analysts say Iraq has the capacity to produce double that amount, albeit at an extraordinary cost over an extended period of time.<sup>16</sup> Many international companies have stepped up to offer the needed investment. Iraq has signed multi-billion dollar deals with companies from China, France and Russia. And in recent months Iraq has signed a number of deals with companies from Italy (Eni), Spain (Repsol YPF), Russia (Tatneft), France (TotalFinaElf), China, India, Turkey, and others.<sup>17</sup> However, none of these deals can move forward until they are okayed by the U.N. Security Council.

Could all of this go toward explaining why it has become so urgent for the United States to make war on Iraq and take over control of Iraqi oil fields? For over a decade, the U.S. has blocked any reparations or new development of Iraqi oil resources. In



2001, reports finally came out announcing that without increased access to spare parts, repairs and new technology, Iraqi oil fields could be damaged permanently. Pressure is building in the U.N. to allow this remediation and modernization of Iraqi oil infrastructure. Iraq is awarding contracts to major oil companies from various countries, excluding U.S. and British companies. And all of this is being blocked largely by the U.S., while U.S. and British oil companies line up for a piece of the action in the aftermath of an Iraqi conquest.

Let's see, are there any pieces of the picture which we are missing? Oh yes, the U.S. is studying international law to determine oil field rights in the event of a U.S. & British conquest of Iraq. And they believe that international law would give them considerable leeway in managing Iraq's oil fields (for the benefit of the Iraqi people, of course).<sup>18</sup>

And now, to round out this picture, let's look at Iraqi oil exports as compared to U.S. imports. As of July 2002, Iraq was producing 1.99 million b/d (oil production was 2.45 million b/d in 2001). Of this, they export 1.5 million b/d, over one-third of that, 566,000 b/d to the U.S. This is down from 795,000 b/d (or 53%) in 2001. The route to the U.S. is very circuitous, as the oil is first purchased by companies from many countries, including Cyprus, Sudan, Pakistan, China, Vietnam, Egypt, Italy, Ukraine, and others and then is resold to U.S. importers, including ExxonMobil, Chevron, Citgo, BP, Marathon, Coastal, Valero, Koch, and Premcor.<sup>19</sup> There is also an unknown amount of oil being smuggled out through Syria and other countries. It is difficult to say how much of this, if any, is making its way to the U.S.

Now let's look at the U.S. side of this equation. The U.S. imported an average of 10.3 million b/d as of September 2002. Of this, Iraqi oil would only amount to 6% of U.S. imports (8% in 2001). However, the U.S. derives around 26% of its daily oil imports from the Middle East—that is 2.3 million b/d as of August 2002. So Iraqi oil accounts for about one-quarter of our Middle East imports. Comparing Iraqi imports to our top sources of imports, Saudi Arabia exports 1.49 million b/d to the U.S. (14% of total imports), Mexico exports 1.46 million b/d (also 14% of total U.S. imports), Canada exports 1.37 million b/d to the U.S. (13% of the total), and Venezuela—prior to the oil strike—exported 1.14 million b/d (11% of the total).<sup>20</sup> If this ranking of major oil imports was continued, Iraq would probably rank in the top ten. However, were the sanctions removed and the oil infrastructure repaired, Iraq would undoubtedly rival Saudi Arabia for the number one position; especially under a U.S. military protectorate with U.S. and British companies running the oil business. Beyond this, the conquest of Iraq—if successful—would allow us to add badly needed spare capacity to world oil production and it might stop the flight of oil countries from the petrodollar to the euro.

## OTHER OIL NEWS

Venezuela is still recovering from the oil strike. The EIA now states that Venezuelan oil production gradually rose to 1.2 million b/d in February.<sup>21</sup> The EIA's current short-term energy outlook assumes that the Venezuelan oil crisis will be over by March.<sup>22</sup> However, they warn that Venezuelan supplies will not approach pre-crisis levels for another several months. Furthermore, it is possible that around 700,000 b/d of production may be permanently lost due to the strike.<sup>23</sup> The EIA warns that OPEC efforts to increase output to make up for lower Venezuelan exports has reduced global spare capacity to only 2 million b/d—this spare capacity coming almost entirely from Saudi Arabia. There is very little room remaining to make up for unexpected supply drops or demand increases.<sup>24</sup>

On top of this, Nigeria's white collar union began an oil export strike on Saturday, February 15th. Nigeria is the seventh largest oil exporter in the world. Royal Dutch/Shell, the country's biggest producer, pumps an average 900,000 b/d. The oil companies expect to replace strikers with senior staff, and point out that previous strikes had little impact on exports. However, fear of the strike caused oil prices to temporarily jump by 16 cents per barrel.<sup>25</sup> It is evident that the market is now so tight and the world economy so gun-shy that it is to be wondered how the world will survive an invasion of Iraq.

On top of all this, there was a small item in the Australian newspaper *The Courier Mail* stating that leftist rebels in Colombia have blown up a large section of that country's most important pipeline. Operated by Occidental Petroleum, the pipeline carried 105,000 b/d.<sup>26</sup> Little more is to be found about this story on the various news wires. The Bush administration has been bolstering military aid to Colombia, including increasing numbers of advisors. They have impressed upon the Colombian military that it is of primary importance to protect the oil pipelines, and they have labeled the rebels as international terrorists. What response there will be on the part of the U.S. to this latest strike at U.S. oil interests is hard to say.

Finally, in the EIA weekly petroleum updates, we find that for the week ending February 7th, crude oil imports declined by another 1.2 million barrels from the previous week. U.S. commercial crude inventories for that week sank to 269.8 million barrels, just crossing the Lower Operational Inventory Level (LOIL). This is the lowest inventory level since October 1975. However, in the week ending February 14th, crude oil imports rose to nearly 8.8 million b/d, the largest weekly average since December 20th. U.S. commercial crude inventories increased by 3.1 million barrels to 272.9 million barrels. This was back above the LOIL, but still 50.4 million barrels below the level of a year ago.<sup>27</sup>

## NATURAL GAS

The picture for natural gas (NG) is even worse. As of February 14th, NG storage stood at 1,168 billion cubic feet (Bcf), down by 203 Bcf from the week previous. This was 868 Bcf less than a year ago and 436 Bcf below the 5-year average of 1,604 Bcf.<sup>28</sup> In an article in *The Oklahoman*, Tony Say, president of gas marketing company Clearwater Enterprises said he expects NG reserves to reach an all-time low of 600 Bcf by the end of the season. Bruce Bell, Chairman of the Mid-Continent Oil & Gas Association's Oklahoma Division, warned that once you get down to 700 Bcf there are serious doubts as to how much gas can

be withdrawn. The nation's gas reserves are stored in underground caverns, where there must be a certain amount of gas to create enough pressure to force the reserves out.<sup>29</sup>

Raymond James & Associates, in a recent report on natural gas, points out that NG production will continue to fall by 1.0 -1.5% per quarter for the foreseeable future. They warn that even if production returned to the feverish pitch of 2001, it would take 3 to 6 months before the new production would begin to slow down the natural declines in existing wells.<sup>30</sup> Yet the NG rig total has hovered between 800 and 900 for the past year; at least 100 less than the number needed to meet national demand, according to Bruce Bell. Despite rising NG prices for the last couple months, work has begun on only 15 new wells.<sup>31</sup>

And according to the Lehman Brothers, Canadian gas production is continuing to fall by as much as 4%. And this drop will coincide with a 500 million cubic feet per day decrease in NG exports to the U.S. Canadian NG demand rose in 2002 by 2 to 3% from the previous year. Net exports to the U.S. are expected to fall by 5% in 2003.<sup>32</sup>

Based on all of this data, the NG crunch of this year could lead to an NG crisis a year from now.

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