

International Intelligence

India Food Supply: A 'Peculiar Dilemma'

Speaking on July 25 at the all-party meeting on the Public Distribution System (PDS), Indian Prime Minister Atal Behari Vajpayee said: "We are faced with a peculiar dilemma of surplus on the resource side and deficit on the consumption end of the [food] production-supply chain." Vajpayee was pointing at the growing surplus of foodgrains in India's grain storages. One reason behind "deficit on the consumption end of the production-supply chain" is the growing consumption of vegetables and proteins. Earlier, the population, poorer than it is now, was consuming more grains. Now, vegetables have replaced some grains in many households. As a result, the overall foodgrain consumption among the non-poor category has dropped significantly.

Among India's poor, grain consumption has not gone down much. The government had increased the PDS quota in 2001 for those who avail themselves of the system. That, however, did not change the situation, because the poor do not have the extra cash to buy more grains.

From what Vajpayee, and some members of the Cabinet suggested, it seems New Delhi is heading toward renovating the PDS system. It is unlikely that it would help the poor much. What is needed instead, is to make available to the poor a minimum amount of foodgrain free of charge, allowing those poor families, who need to enhance nutrition, to get that through the PDS.

BBC-Government Battle Intensifying

On July 27, BBC Chairman Gavyn Davies wrote an article in the London *Sunday Telegraph*, in which he charged that "bullying" cabinet ministers were trying to destroy the BBC's independence. In the piece, "These Threats to the BBC Are Serious and Sinister," Davies charged that BBC's integrity is now under attack, because it has dared

"to take a different view on editorial matters from that of the government and its supporters." The Blair government is hinting that a system that "has protected the BBC for 80 years should be swept away, and replaced by an external regulator that will 'bring the BBC to heel.'" The BBC's charter will be reviewed by the government later this year.

In what other British dailies described as an unprecedented attack by a BBC chairman on a sitting government, Davies underscored that BBC has always been trusted by its audiences, because "it is emphatically not the voice of the state." The BBC, Davies said, has made it a priority to place "an unshakable barrier between the BBC's editorial processes and political bullying," which came from politicians who wanted BBC support for "the Government's case for war." The BBC stood up to "intolerable pressures," and Britons "flocked to BBC News in overwhelming numbers" as a result.

Davies then zeroed in on Prime Minister Tony Blair's media czar Alastair Campbell, who launched "a full frontal assault on the motivation, skill and professionalism of the entire news corporation." Given what has subsequently been learned about the qualifications of the late Dr. David Kelly, to speak about Iraq's weapons of mass destruction (or absence thereof), Davies argued that it would have been "profoundly wrong" for BBC to suppress the stories it had, that Blair's government had not been truthful about the Iraqi threat to Britain, which Blair made the *casus belli* to line Britons, Parliament, and the media up for the war.

Brazil's Development Bank Pushed Aside?

Brazil's National Economic and Social Development Bank (BNDES) has reportedly been pushed to one side in the planning for major infrastructure development projects, according to *O Estado de São Paulo* on July 24. During a July 17 cabinet meeting, BNDES President Carlos Lessa had given

a detailed presentation on what projects the bank thought should be implemented over the next four years, requiring financing of between \$90-140 billion. Following that meeting, according to *O Estado*, President Lula da Silva had described Lessa's plan as "a dream," and said something more "grounded in reality" were necessary. Lessa's presentation had focused on the energy sector, including a number of "mega-projects," such as the plan to link all of Brazil's hydrographic basins, in order to guarantee an energy supply equal in volume to that supplied by the giant Itaipú Dam today.

BNDES has now reportedly been excluded from government discussion on infrastructure planning, which is supposed to map out "emergency" measures to address the economic crisis, as well as longer-term plans. Bank officials are continuing to participate in debate on two areas of the government's three-pronged strategy—industrial policy and export-oriented activity—but is excluded from the crucial area of infrastructure planning, now being overseen by the chief of economic planning at the Planning Ministry. And the Finance Ministry, run by orthodox monetarist Antonio Palocci, is overseeing the entire process which means, as *O Estado* pointed out, "that all projects considered to be 'exaggerated,' will be duly halted by the conservative hand of Antonio Palocci."

Iran and India To Build Transport Corridors

Iran has emerged as India's potential gateway to Afghanistan, Central Asia, and Europe, said A.K. Srivastava, chairman of the Indian section of India-Iran Joint Business Council (IIJBC), said in New Delhi on July 22. Srivastava said, "India and Iran are working together to develop transport corridors from India . . . through Iranian territory." Touching on the recent visit of Indian Oil Minister Ram Naik to Tehran, Srivastava said complementarity of interests between both countries in energy production should be developed as a strategic area of their fu-

MILITARY historian Martin van Crefeld said of Iran's Shahab-3 missile in *Die Welt* on July 29, that it means "very little" in that surface-to-surface missiles do not transport conventional weapons long distances, and "are not especially useful to transport chemical or biological weapons." This would change, he says, if Iran had nuclear weapons. "The 2003 Gulf war has created a situation, in which Iraq as a unified state no longer exists and Iran is encircled by U.S. troops: to the west (Iraq), to the south (Persian Gulf), and to the east (Afghanistan)"—and U.S. bases in the Central Asian Republics.

LAROCHE associate Edward Spannaus blasted Dick Cheney in an Al-Jazeera TV interview on July 25. The fact that Spannaus, introduced as "expert on legal affairs for *Executive Intelligence Review*," was the only participant from the United States in an international panel on the intelligence hoaxes that led to the Iraq War, is a sign of the impact of the LaRouche campaign to oust Cheney.

CAMBODIA'S general elections on July 28 ran smoothly. The ruling Cambodian People's Party, led by Prime Minister Hun Sen, came in 8 votes short of the two-thirds absolute majority to form a single-party government. Out of 123 seats in the National Assembly, the royalist Funcinpec party led by Prince Ranaridh, son of King Norodom Sihanouk, received 26 votes, and the eponymous Sam Rainsy Party, 24. Rainsy was heavily funded by the National Endowment for Democracy.

SAUDI paper *As Sharq al-Awsat* reported on July 30 that a U.S. military official held meetings in Iraq with the anti-Iran group Mujahideen e-Khalq (MKO), during which the United States agreed to leave the MKO with over 2,000 tanks and weapons, including anti-aircraft missiles. The report follows others alleging that the United States is considering using the MKO, officially designated by the State Department as a terrorist organization, against Iran.

ture relationship. He said that investment in upstream and downstream activities in the oil sector, liquefied natural gas tie-ups, and secure modes of transport are the areas to further strengthen the relations. He also cited the two countries' opportunities for cooperation in defense areas, including training and exchange of visits.

Iranian Deputy Foreign Minister Aminzadeh said, "The issue of the North-South transport corridor between India, Iran, and Russia is one of the most important fields for development of regional cooperation, which will further link Europe and Asia with the adjoining countries of Central Asia and the Caucasus, Syria, and all other countries of the region." According to *Ettela'at*, he said that Iranian-Indian strategic cooperation in transit and transport "would enter an infrastructural phase with the development of Chabahar port and the construction of the 600 km-long Chabahar-Fahraj railway line that will link this port to the nationwide railway and road network of Iran, that will also establish a link between the countries of Central Asia and Caucasus, the Caspian Sea, Russia, and Turkey."

Jordan and Egypt In Biggest Gas Project

Egyptian President Hosni Mubarak and King Abdullah II of Jordan were to inaugurate the biggest Arab integrated project, to carry Egyptian natural gas to Jordan and other countries, on July 27. Egypt's natural gas will be carried from the Egyptian port of Taba to the Jordanian thermal station at Aqaba. Future stages include carrying Egyptian natural gas to Syria via Jordan, to the Lebanese Al-Zahrani refinery by the year 2005, and to Cyprus in 2006, and then to Europe via Turkey at a total cost of \$1 billion.

Jordanian Minister of Energy Mohammad Batayineh told reporters July 26 that the King would head for Taba July 27, with a high-ranking delegation, to inaugurate the Egyptian part of the project with President Mubarak. The two Arab leaders, he added,

would then go to Aqaba via by sea to open the Taba-Aqaba phase of the project. Their schedule included touring the civil and electro-mechanical works, as well as ground facilities for extending gas to Jordan. They will also tour the filtering station and facilities for the plan to feed the Aqaba power station, whose capacity hits 100,000 cubic meters.

The first stage of the Arab gas pipeline project (Arish-Taba), with investments up to \$220 million, involves extending a line 248 km long, with a diameter of 26 inches, and then an undersea line will be extended to the Jordanian port of Aqaba. Egyptian Ambassador to Jordan Dr. Mohamed Higazy said the project confirmed Mubarak's commitment to an Arab common market.

IAEA To Discuss Israel's Nukes

"The Israeli Nuclear Capabilities and Threat" will be included as an agenda item at the 47th General Conference of the International Atomic Energy Agency, Sept. 15-19. The item was placed on the agenda at the request of the Arab states, transmitted in a letter from the Ambassador of the Sultanate of Oman. An accompanying memo concludes, "The General Conference of the International Atomic Energy Agency must take appropriate measures to ensure that Israel places all its nuclear installations under Agency safeguards and accedes to the Treaty on the Non-Proliferation of Nuclear Weapons."

The memo notes that all the Arab states have signed on to the Non-Proliferation Treaty (NPT), but that Israel has refused to do so. "Israel's possession of nuclear weapons is likely to lead to a destructive nuclear arms race in the region, especially if Israel's nuclear installations remain outside any international control."

The memo also lists several resolutions of both the United Nations General Assembly and the IAEA, which call on Israel to accede to the NPT and place its nuclear installations under IAEA safeguards.