

CIA/DIA/NSA FACT REPORTS- PUBLIC DATA

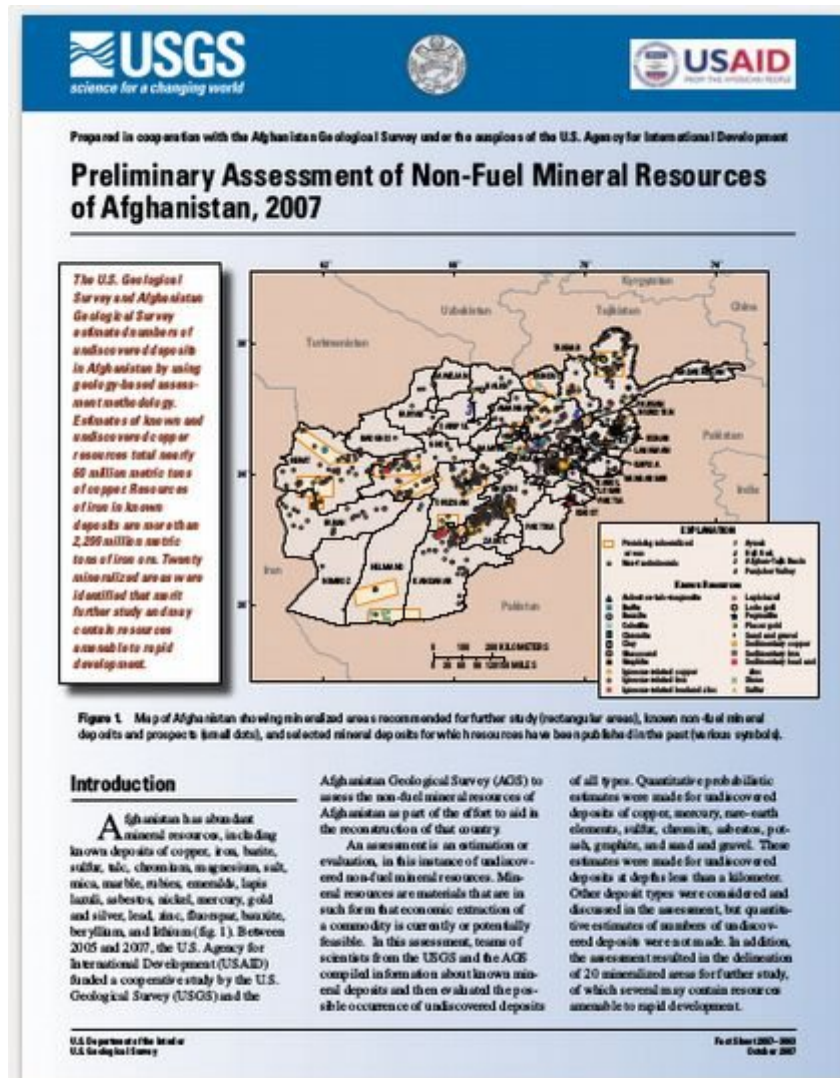
THE AFGHAN SPY PAPERS ON AFGHANISTAN ELECTRIC CAR LITHIUM

- The Scam That That Blew Itself up

The Afghan War has been called “Obama’s War”. Recent leaked documents prove this to be so in more ways than one.

While many internet sites make numerous claims about conspiracies and corruption in the Afghan War, the following documents are from the highest level intelligence experts in the world. These documents prove the following:

1.) The USAID promoted the following report:



2.) This report was “creatively interpreted” by Chicago campaign operatives for the Obama campaign as meaning that “...there were trillions of dollars of lithium for electric cars sitting around in Afghanistan...” Afghan ministers then said there was over “\$7 Trillion dollars of lithium” laying around.

3.) Chicago Obama campaign operatives contacted Elon Musk, John Doerr, Eric Schmidt, Steve Jurvetson, Larry Page and other Silicon Valley oligarchs and promised them an exclusive opportunity to exploit this lithium if they helped put Barack Obama in the White House.

4.) The quid-pro-quo crony deal was agreed to and Silicon Valley was allowed to place their friends in charge of the Department of Energy to use the DOE as a slush-fund for those financiers.

5.) Steven Chu and his Silicon Valley henchmen cut off all technologies that competed with their lithium scam (ie: Fuel cells, hydrogen, ultra-capacitors, beta-voltaics, nickle metal hydrid, lead acid, etc.)

6.) It was then discovered that the lithium did not exist in those amounts, had no functional mining infrastructure, exploded on its own when processed into batteries, blew up when it got wet in batteries, blew up when it got bumped or exposed to air in batteries, blew up when overcharged in batteries, killed the workers making it, caused 6+ deadly health problems and was a threat to U.S. security.

7.) Russian intelligence officers now confess that the “massive lithium fields” may have been a joke they played on the Americans via manipulated geotech maps the Russians left in Kabul when they evacuated the country.

Editorial Says US Mulling Ways To Take Advantage of Afghan Minerals

Editorial: “Afghan mineral deposits” - The Nation Online

Wednesday June 16, 2010 22:52:17 GMT

THE discovery of mineral deposits in Afghanistan might pull that country out of poverty. The discovery was made by a team of American geologists and Pentagon officials, with about \$1 trillion estimated as the value of the various minerals as being in the ground at present. According to the State Department spokesman making the announcement, the Department, USAID, the Commerce Department, the Geological Survey and the Pentagon, were working with Afghan experts to explore the minerals. The deposits include iron, copper, cobalt, gold and lithium. Lithium is used in manufacturing batteries for mobile phones and laptop computers, and a Pentagon memo has said that Afghanistan could become the Saudi Arabia of lithium. As if lithium was insufficient, the deposits also include niobium, a soft metal used in making superconducting steel, and large gold deposits.

The Geological Survey's aerial surveys, which started in 2006, were based on data collected by the Soviets during their 1980s occupation of the country. Promising results led to a more sophisticated survey the following year. The discovery, according to the State Department, has the potential to give Afghanistan the resources needed to have a modern and

legal economy, as opposed to the present narco-economy. This discovery might be good news for Afghanistan, but there are a certain number of implications that need to be kept in mind. First, it might be remembered that just as the original Soviet data led nowhere, so this discovery too may not lead to commercial exploitation. Already, the US State Department spokesman has predicted that it will be years before revenue can be expected. Second, and probably more serious for the ordinary Afghan, is the decrease in the likelihood of the USA going ahead with its planned withdrawal next year. It went into Afghanistan because it hoped to secure routes to the oilfields of Central Asia, but it will probably stay to exploit the mineral resources there. This merely provides an additional reason to remain there.

The Afghan people should not be too happy that lithium has been discovered in such large quantities, because they can rest assured of only one thing. Indians, already in Afghanistan at the invitation of the Karzai regime, will be wondering how to turn this development to their advantage. They will be encouraged by the USA, which will see an opportunity to throw some scraps towards the country it wishes to prop up as a counterweight to China. Americans must be busy working out ways to take advantage of the lithium deposits discovered, and until they suck them out, they will not exit the country and leave it alone.

(Description of Source: Islamabad The Nation Online in English -- Website of a conservative daily, part of the Nawa-i-Waqt publishing group. Circulation around 20,000; URL: <http://www.nation.com.pk>)

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Article Discusses Outcome of Recently Held Pakistan-European Summit in Brussels

Article by Sadaf Arshad: "Green lobsters, democracy and EU-Pak relations"
- The News Online

Wednesday June 16, 2010 22:48:10 GMT

The joint statement following the second EU-Pakistan Summit in Brussels attended by Prime Minister Yousuf Raza Gilani was full of diplomatic niceties, signifying little. But that is hardly surprising.

The EU wants Pakistan to focus on eliminating the sources of terrorism and it acknowledged "the great sacrifices being made by the people and the security forces of Pakistan". However, the EU isn't prepared to commit greater number of men and more military materials to the war against the Taliban in Afghanistan and Waziristan.

Pakistan wants the EU to give it greater access to its markets. But it is

not able to diversify its textile exports or improve the quality of its food and fish products to comply with the EU health standards. Pakistan is 45th in line among the EU's 200 trading partners. But its contribution is just 0.3 per cent of the total EU trade, despite the fact that the EU does not charge Pakistan full duty rates - a concession the EU gives to boost trade with this conflict-ridden country.

"We are stuck," one EU official commented on the 2007 ban on fish products from Pakistan on the grounds that the popular green lobsters were packaged for export in unhygienic conditions. When the EU sent food inspectors to Pakistan, the government was so irked that it responded by temporarily withdrawing their visa facilities. The ban is still in place and the Pakistan government has done nothing to improve and regulate the export environment of the fishing industry.

Textile exports is the other major issue. One official said the solution for Pakistan is to "diversify" because the competition is tough. Also, there is the problem of relatively poor EU member states such as Portugal, Greece and Italy which are competing for the same home market as Pakistan in textiles. Needless to say, India has adjusted to the new market needs and is now producing mobiles, cars, software, and films for export to the EU. It ranks as the EU's 7th top trading partner with over 50 billion euros in trade every year. When Pakistan demanded a zero per cent import duty regime like the one allowed to Bangladesh and Afghanistan, it was told that it was not "such an underdeveloped country". On the other hand, Sri Lanka enjoys a Generalised System of Preferences (GSP) Plus because it has signed all the required international treaties and conventions, unlike Pakistan whose case will be considered in 2013 when the FTA is reviewed.

The EU is also part of the Friends of Democratic Pakistan (FoDP) network. But it hasn't coughed up any significant amounts of money to help revive Pakistan's economy whose slump is among the causes of increasing alienation and anger among the unemployed youth of the country. This is mainly because the EU (and the Euro) is in an acute financial crisis itself following the collapsing economies of Greece, Spain, and Portugal owing to irresponsible fiscal spending. Therefore, one should not expect too much of the next meeting of the FoDP which will be held in Brussels in August this year.

Under the circumstances, talk of strengthening the "strategic dialogue" for peace and development through a five year engagement plan to be drawn up in due course may turn out to be a lot of hot air.

Still, there is some good news. The EU remains committed to the Malakand Development Programme and Pakistan welcomed the launch of an EU 'Civilian Capacity Building for Law Enforcement' programme to support the government's counter-terrorism efforts. This programme aims at capacity building in the field of civil law enforcement by supporting the newly established National Counter-Terrorism Authority (NACTA) under former FIA

boss Tariq Pervez in the PM's secretariat in Islamabad in becoming a fully operational and effective agency. It further supports Pakistan's authorities in the development of provincial capabilities, by working on law enforcement and criminal justice.

Minister says Afghanistan to invite bids for mineral extraction - Pajhwok Afghan News

Wednesday June 16, 2010 11:26:11 GMT

Text of report in English by Afghan independent Pajhwok news agency website
Kabul: Afghanistan will invite 200 international companies to bid for the extraction of its one trillion dollars worth of minerals, the country's mines minister reportedly said. The country will hold a road show in London on 25 June to attract investors, Wahidollah Shahrani said in New Delhi where he was meeting with his Indian counterpart, B. K Handique, on Tuesday (15 June). "We will invite bids for the development of our mineral deposits in the next few months," he told the Dow Jones Newswires. A number of Indian companies and global miners have already shown interest in Afghanistan's deposits, the minister said. "To start with, we will invite bids for iron ore and copper mines," Shahrani added. A recent study by US geologists found Afghanistan had about one trillion dollars in untapped mineral wealth, including lithium, iron, gold, niobium, mercury and cobalt. Afghan President Hamed Karzai said in January that the deposits could help one of the world's most impoverished nations become one of the richest. (Description of Source: Kabul Pajhwok Afghan News in English -- independent news agency)

Two international CIA soldiers die in north Afghanistan clash with Taliban - Afghan Islamic Press

Wednesday June 16, 2010 11:42:25 GMT

Text of report by private Pakistan-based Afghan Islamic Press news agency
Konduz, 16 June: Two ISAF soldiers have been killed and three others injured in a fighting. Two ISAF soldiers were killed and three others injured and one vehicle destroyed in the fighting between the Taliban and foreign forces in the Gortepa area on the suburbs of Konduz City, the capital of Konduz Province (in northern Afghanistan). The PRT (provincial reconstruction team) forces' press office in Konduz Province told the Afghan Islamic Press (AIP) that ISAF and local forces launched an operation against the Taliban in the Gortepa area this morning. Two ISAF soldiers were killed and three others injured, and one vehicle was destroyed as a result of the fighting. He said that the fighting was continuing. The press office gave no details about the casualties inflicted on the Taliban, but the governor of Konduz Province, Mohammad Omar, reported bombardment in that area and told AIP that 12 armed Taliban, including two Taliban commanders, Qari Abdol Latif and Taleb Shah, had been killed. Meanwhile, the residents of Gortepa told AIP that the foreign forces' bombardment had inflicted casualties on civilians as well. They said that exact information about civilian casualties was not available. Earlier, a Taliban spokesman, Zabihollah Mojahed, told AIP that

the fighting started at 1000 this morning (0430 gmt) at a time when the Taliban attacked a joint forces convoy in Bacha Qalandar area near Gortepa. The Taliban spokesman claimed that four armoured vehicles of foreign forces had been destroyed and the troops inside the vehicles suffered casualties, but he gave no information about the Taliban casualties.

-- **La Paz La Razon reports** that MAS Senator Fidel Surco said yesterday that social movements would evaluate United Nations Development Program (UNDP) staff to ensure that they were not meddling in internal politics. After meeting with UN representative Yuriko Yosukawa yesterday, Surco said that any UNDP personnel receiving a negative evaluation from the local community would be replaced. Government: Afghan Lithium Reports Aim To Justify US Presence

-- **Bolivian Government News Agency (ABI)** reports that Hector Cordova, deputy mining production development minister, said yesterday that two Finnish companies want to participate in the scientific committee formed to study the potential of lithium reserves in the Uyuni Salt Flat. The committee already has representatives from Japan, South Korea, Brazil, and France. In a related item, ABI reports that Luis Alberto Echazu, manager of the Bolivian Mining Corporation's Evaporite Resources Industrialization Project, confirmed yesterday that Bolivia has the largest confirmed lithium reserves in the world. In response to news about a recent lithium find in Afghanistan, Echazu said the reports have "a political overtone to justify the continued presence of the United States in Afghan territory." (La Paz Agencia Boliviana de Informacion in Spanish -- Website of government-owned news agency; URL:

<http://abi.bo/> <http://abi.bo/>) Cuevas cartoon in

La Razon depicts an Uncle Sam figure carrying "Afghanistan" saying: "I swear I did not know anything about the lithium." Government Reaches Agreement With Guarani Assembly, Weakens CIDOB Protest

Afghan President Karzai To Face 'Tough Questions' During Japan Trip - AFP
Wednesday June 16, 2010 06:31:13 GMT

tough questions over governance and corruption from one of his country's major aid donors when he arrives in Japan on Wednesday for a five-day visit.

Japan last year pledged up to five billion dollars in aid over five years until 2013, provided the security situation allows projects to go ahead and contingent on guarantees the assistance will not be lost to graft. It will be Karzai's fourth trip to Japan, and his first since he won his second presidential term last November in elections widely criticised as marred by ballot-stuffing and vote-rigging. Talks with Japan's new Prime Minister Naoto Kan and Foreign Minister Katsuya Okada will focus on improvement of security and the wider development of the war-torn and

dirt-poor central Asian nation."The quality of governance needs to be improved," Japanese foreign ministry press secretary Kazuo Kodama told AFP before the visit."We do have sympathy for his challenges, but at the same time, in order for his government... to really succeed in addressing all these challenges, he has got to put his government in order," Kodama said."So I think Prime Minister Kan and Foreign Minister Okada will certainly look forward to discussing these issues in a candid, straight-forward manner."Kabul said Karzai was travelling with his foreign and finance ministers, as well as national security advisor Rangeen Dadfar Spanta.Japan, whose military is restricted by a post-World War II pacifist constitution, has not deployed troops to Afghanistan, but the world's second biggest economy is one of the biggest donors to the country.Japanese aid has built 650 kilometres (400 miles) of highway and a new Kabul airport terminal, and its city planners are working to redevelop the capital, where more than 100 Japanese buses are now providing public transport.Of the aid package pledged last year, about 980 million dollars have been disbursed, including more than 300 million dollars to pay the wages of Afghanistan's 80,000 police officers, Japanese officials say.Other Japanese aid projects in the works are vocational training and small-scale rural aid projects that would help former Taliban foot-soldiers drop their arms and earn a living in civil society.Massive graft, however, threatens to undermine many international aid projects. Watchdog Transparency International says Afghanistan has the worst corruption of any country except Somalia, which has no functional government.Kodama said that Japan's foreign minister had repeatedly stressed that "this money comes from our taxpayers' pockets, and the government needs to be accountable for the way their money will have been spent. Money must be spent in an efficient and effective manner to meet the declared objectives."Karzai's visit comes days after US officials said Afghanistan has mineral deposits worth at least one trillion dollars, including iron, copper, cobalt, gold and lithium.Kodama said the deposits would likely be discussed, adding: "If Afghanistan is blessed with such abundant, precious mineral resources, we certainly wish that this asset is used for the people of Afghanistan to build the nation."Karzai, after an audience with Emperor Akihito and meetings with Japan's leaders Thursday, plans to deliver a policy address on Friday at an event hosted by think-tank the Japanese Institute of International Affairs.He is due to visit the Hiroshima Peace Memorial on Saturday to commemorate the victims of the US atomic bombing of the city at the end of World War II, then travel to the former imperial capital of Kyoto.On Sunday he visits the nearby world heritage site of Nara -- another former capital that once marked the end of the Silk Road trade route which also ran through Afghanistan -- before leaving Japan.mis-fz/sak/jm/txw(Description of Source: Hong Kong AFP in English -- Hong Kong service of the independent French press agency Agence France-Presse)

Re: Proximate triggers for the Afghan minerals story

Released on 2012-10-19 08:00 GMT

Email-ID 1151632
Date 2010-06-14 20:36:36
From matt.gertken@stratfor.com
To analysts@stratfor.com

Re: Proximate triggers for the Afghan minerals story

In my opinion, what this information shows is this:

the topic is being presented now basically as media hubbub ahead of international conference on July 20, the follow-on to the Jan 28 conference in London, that is to show internat'l support for Afghanistan development. Clinton and a number of other Foreign Ministers will attend. Needless to say this is part of the Obama admin strategy of rebuilding and developing to go along with war-fighting.

Looks like US is hoping to generate buzz to support investment into Afghan. Meanwhile the US surveyors are trying to wrap up some of their surveys ahead of the conference so they can be presented to attract investors.

Matt Gertken wrote:

BTW, here's the 2007 USGS report, presumably based off the 2007 survey that lay neglected the past two years in terms of public attention being called to the development possibilities. it has some key information in it <http://pubs.usgs.gov/fs/2007/3063/fs2007-3063.pdf> .

But the latest reports say that the finds are ongoing (such as the lithium find, which isn't included in this report), and so some of today's hubbub is from the Lithium comment arising from the pentagon memo about the "saudi arabia of lithium"

Matt Gertken wrote:

Here are a series of triggers for the latest on the minerals. it essentially looks like a media blitz. This subject has been addressed by officials several times in recent months, including Petraeus in Dec

2009.

All of it is trickling out (1) following breaking news that US geologists are in numerous task forces VERIFYING the 2007 survey that was previously neglected (2) the July 20 International Conference to build international support for Afghan govt, which the French say will be the place where Afghan Ministry of Mines reveals its estimates for mineral wealth.

Here's a quick breakdown of proximate triggers:

* US geologists verifying results of neglected 2007 survey -- Unnamed senior US officials say the latest estimates of the reserves are \$1 trillion. a small team of Pentagon officials and American geologists. The Afghan government and President Hamid Karzai were recently briefed, American officials said. - NYT June 13. The second US survey finished in 2007, results reviewed by geologists at that time, neglected for two years, then rediscovered in 2009 by a Pentagon task force on creating business in Afgh. Then the task force VERIFIED the survey, then briefed Gates and Karzai, and now we are seeing results.

* Petraeus mentions minerals in interview on June 12. "There is stunning potential here," Gen. David H. Petraeus, commander of the United States Central Command, said in an interview on Saturday. "There are a lot of ifs, of course, but I think potentially it is hugely significant." - quoted by NYT June 13 (interview on June 12)

* upcoming Afghan minerals presentation in July -- Internat'l Conference in Kabul July 20. Afghan authorities to present initial assessment on inventory of natural resources in subsoil and potential for econ development. -French Foreign Ministry on June 14

* Upcoming meeting between US and Afghans on subject. (not sure if same as conference on June 20 referred to by French officials). - American and Afghan officials agreed to discuss the mineral discoveries at a difficult moment in the war in Afghanistan. -- NYT June 13

* Ongoing surveys including Lithium finds -- geologists just now reviewing dry salt lakes in Afgh, Ghazni province, where they claim Lithium deposits resemble bolivia's. Scouring and doing technical studies. geologists on the ground feel like making

discoveries of their careers.

* internal Pentagon memo - "KSA of Lithium" acc to NYT June 13. No date set on memo but presumed very recent.

* Congressional panel "a few weeks ago" -- Under Secretary for Defense Policy Michele Flournoy told a Congressional panel a few weeks ago, "We are working with the Afghan ministries on long-term economic development ... they're very rich in strategic minerals and resources, very rich in agriculture, helping them to develop sustainable long-term sources of income for the nation." - ABC, June 14

* Karzai speech and gaffe in May 2010 -- Last month, during an event at Washington's U.S. Institute of Peace with Secretary of State Hillary Clinton, Karzai described the value of Afghanistan's mineral resources as being between "\$1 to \$3 billion." Aides off-stage corrected him, saying the value was in trillions, not billions. "Yeah, 3 billion," said Karzai, "No, no, 3 trillion," corrected an aide. Laughing, Karzai replied, "Trillion! Yeah, \$3 trillion. Trillion, sorry. That's what I meant. Trillion, trillion, yeah. \$1 to \$3 trillion."

* Petraeus mentioned in Dec 2009 -- around the time the 2007 survey was being verified acc to NYT account -- U. S. Central Command's Gen. David Petraeus described Afghanistan's mineral resources in a radio interview last December with ABC News. "It has some of the world's remaining unexploited world class deposits of copper, iron ore and some other fairly exotic minerals. And it has some limited natural gas. The estimates of the worth of these deposits are quite substantial," he said. Petraeus told a Congressional committee three months ago that what makes these deposits valuable is that they are "a couple of the only world-class fields left."

AFP's citing the French FM spokesperson June 14:

France hails mineral riches of Afghanistan as means to boost development

Excerpt from report by French news agency AFP

Paris, 14 June 2010: An initial assessment of the presence of minerals in Afghanistan should be presented during an international conference in Kabul on 20 July and will be accompanied by the outlines of a prospecting policy, the French Foreign Ministry said on Monday [14

June].

[Passage omitted: New York Times reports discovery of vast mineral resources, capable of making Afghanistan a leading exporter]

"The Afghan authorities have, supported by their partners, undertaken to inventory the natural resources in Afghanistan's subsoil and the potential they represent for enabling the country ultimately to ensure its own economic development," deputy Foreign Ministry spokeswoman Christine Fages told a news briefing.

"An initial assessment should be presented at the Kabul conference on 20 July. It should come accompanied by the initial features of the requisite policy for prospecting for and exploiting mineral resources that has still to be defined," she added when asked about the reports in the US press.

"France, like its partners on the ground in Afghanistan, is working alongside the Afghan government, to enhance the human and economic potential of the country," she said.

"This would have to be within the framework of sustainable development and is a vital factor in the recovery of Afghanistan, which the international community has mobilized to achieve," she explained.

NYT story on June 13:

WASHINGTON - The United States has discovered nearly \$1 trillion in untapped mineral deposits in Afghanistan, far beyond any previously known reserves and enough to fundamentally alter the Afghan economy and perhaps the Afghan war itself, according to senior American government officials.

Notes from Afghanistan, Pakistan, Iraq and other areas of conflict in the post-9/11 era.

The previously unknown deposits - including huge veins of iron, copper, cobalt, gold and critical industrial metals like lithium - are so big and include so many minerals that are essential to modern industry that Afghanistan could eventually be transformed into one of the most important mining centers in the world, the United States

officials believe.

An internal Pentagon memo, for example, states that Afghanistan could become the "Saudi Arabia of lithium," a key raw material in the manufacture of batteries for laptops and BlackBerrys.

The vast scale of Afghanistan's mineral wealth was discovered by a small team of Pentagon officials and American geologists. The Afghan government and President Hamid Karzai were recently briefed, American officials said.

While it could take many years to develop a mining industry, the potential is so great that officials and executives in the industry believe it could attract heavy investment even before mines are profitable, providing the possibility of jobs that could distract from generations of war.

"There is stunning potential here," Gen. David H. Petraeus, commander of the United States Central Command, said in an interview on Saturday. "There are a lot of ifs, of course, but I think potentially it is hugely significant."

The value of the newly discovered mineral deposits dwarfs the size of Afghanistan's existing war-bedraggled economy, which is based largely on opium production and narcotics trafficking as well as aid from the United States and other industrialized countries. Afghanistan's gross domestic product is only about \$12 billion.

"This will become the backbone of the Afghan economy," said Jalil Jumriany, an adviser to the Afghan minister of mines.

American and Afghan officials agreed to discuss the mineral discoveries at a difficult moment in the war in Afghanistan. The American-led offensive in Marja in southern Afghanistan has achieved only limited gains. Meanwhile, charges of corruption and favoritism continue to plague the Karzai government, and Mr. Karzai seems increasingly embittered toward the White House.

So the Obama administration is hungry for some positive news to come out of Afghanistan. Yet the American officials also recognize that the mineral discoveries will almost certainly have a double-edged impact.

Instead of bringing peace, the newfound mineral wealth could lead the Taliban to battle even more fiercely to regain control of the country.

The corruption that is already rampant in the Karzai government could also be amplified by the new wealth, particularly if a handful of well-connected oligarchs, some with personal ties to the president, gain control of the resources. Just last year, Afghanistan's minister of mines was accused by American officials of accepting a \$30 million bribe to award China the rights to develop its copper mine. The minister has since been replaced.

Endless fights could erupt between the central government in Kabul and provincial and tribal leaders in mineral-rich districts. Afghanistan has a national mining law, written with the help of advisers from the World Bank, but it has never faced a serious challenge.

"No one has tested that law; no one knows how it will stand up in a fight between the central government and the provinces," observed Paul A. Brinkley, deputy undersecretary of defense for business and leader of the Pentagon team that discovered the deposits.

...

"The Ministry of Mines is not ready to handle this," Mr. Brinkley said. "We are trying to help them get ready."

Like much of the recent history of the country, the story of the discovery of Afghanistan's mineral wealth is one of missed opportunities and the distractions of war.

In 2004, American geologists, sent to Afghanistan as part of a broader reconstruction effort, stumbled across an intriguing series of old charts and data at the library of the Afghan Geological Survey in Kabul that hinted at major mineral deposits in the country. They soon learned that the data had been collected by Soviet mining experts during the Soviet occupation of Afghanistan in the 1980s, but cast aside when the Soviets withdrew in 1989.

During the chaos of the 1990s, when Afghanistan was mired in civil war and later ruled by the Taliban, a small group of Afghan geologists

protected the charts by taking them home, and returned them to the Geological Survey's library only after the American invasion and the ouster of the Taliban in 2001.

"There were maps, but the development did not take place, because you had 30 to 35 years of war," said Ahmad Hujabre, an Afghan engineer who worked for the Ministry of Mines in the 1970s.

Armed with the old Russian charts, the United States Geological Survey began a series of aerial surveys of Afghanistan's mineral resources in 2006, using advanced gravity and magnetic measuring equipment attached to an old Navy Orion P-3 aircraft that flew over about 70 percent of the country.

The data from those flights was so promising that in 2007, the geologists returned for an even more sophisticated study, using an old British bomber equipped with instruments that offered a three-dimensional profile of mineral deposits below the earth's surface. It was the most comprehensive geologic survey of Afghanistan ever conducted.

The handful of American geologists who pored over the new data said the results were astonishing.

But the results gathered dust for two more years, ignored by officials in both the American and Afghan governments. In 2009, a Pentagon task force that had created business development programs in Iraq was transferred to Afghanistan, and came upon the geological data. Until then, no one besides the geologists had bothered to look at the information - and no one had sought to translate the technical data to measure the potential economic value of the mineral deposits.

Soon, the Pentagon business development task force brought in teams of American mining experts to validate the survey's findings, and then briefed Defense Secretary Robert M. Gates and Mr. Karzai.

So far, the biggest mineral deposits discovered are of iron and copper, and the quantities are large enough to make Afghanistan a major world producer of both, United States officials said. Other finds include large deposits of niobium, a soft metal used in producing superconducting steel, rare earth elements and large gold

deposits in Pashtun areas of southern Afghanistan.

Just this month, American geologists working with the Pentagon team have been conducting ground surveys on dry salt lakes in western **Afghanistan where they believe there are large deposits of lithium. Pentagon officials said that their initial analysis at one location in Ghazni Province showed the potential for lithium deposits as large of those of Bolivia, which now has the world's largest known lithium reserves.**

For the geologists who are now scouring some of the most remote stretches of Afghanistan to complete the technical studies necessary before the international bidding process is begun, there is a growing sense that they are in the midst of one of the great discoveries of their careers.

"On the ground, it's very, very, promising," Mr. Medlin said.
"Actually, it's pretty amazing."

ABC's take

U.S. Geologists Discover \$1 Trillion in Mineral Deposits in Afghanistan

Security Concerns, Lack of Infrastructure Pose Enormous Threat to Mining Possibilities

U.S. geologists have concluded that Afghanistan, one of the world's poorest countries after 30 years of violence and war, lies atop a bonanza of mineral riches that could transform it into a wealthy nation.

The world class deposits of copper, iron ore and some other fairly exotic minerals have been estimated by the U.S. Geological Survey, which has been working to identify resources in Afghanistan, at more than \$1 trillion.

But those riches which could help end the country's vicious cycle of poverty and even more vicious cycle of war may remain tantalizingly out of reach over the next few years.

American officials have long said that Afghanistan must develop long

term sustainable economic sources of income that would provide a larger revenue stream so it can provide government services and security for itself after NATO forces leave. Under Secretary for Defense Policy Michele Flournoy told a Congressional panel a few weeks ago, "We are working with the Afghan ministries on long-term economic development ... they're very rich in strategic minerals and resources, very rich in agriculture, helping them to develop sustainable long-term sources of income for the nation."

Geologists from the U.S. Geological Survey have been working in Afghanistan for the past couple of years surveying locations across the country and have concluded that it contains vast mineral deposits. A Pentagon task force that has helped to develop Iraq's long term economic viability has been working with Afghan ministries to begin the process of helping them with the expertise some believe could turn Afghanistan into one of the world's most important mining centers.

U. S. Central Command's Gen. David Petraeus described Afghanistan's mineral resources in a radio interview last December with ABC News.

"It has some of the world's remaining unexploited world class deposits of copper, iron ore and some other fairly exotic minerals. And it has some limited natural gas. The estimates of the worth of these deposits are quite substantial," he said. Petraeus told a Congressional committee three months ago that what makes these deposits valuable is that they are "a couple of the only world-class fields left."

Even President Karzai Has Difficulty Imaging Afghanistan Potential Wealth

A Chinese firm recently signed a contract with the Afghan government to develop a copper mine, but given the lack of an infrastructure in Afghanistan and the current security situation, other potential investors are few and far between.

Petraeus describes potential investors as "adventure venture capitalists" because they need "an adventurous spirit to go to venture capitalism in Afghanistan." He added, "These guys have done it in other tough places, and they can see the extraordinary potential that exists. But they also see the extraordinary challenges to getting those minerals or whatever out of the ground and then out to a market because of a lack of infrastructure."

According to Petraeus, "Infrastructure, even as important for us to reestablish security, will then become very important to the Afghan security forces to continue that and, indeed, for the overall country of Afghanistan in the longer term."

The infrastructure challenges are enormous. The Afghan economy does not have the capacity to even begin the mining process and the lack of roads throughout much of the country raises challenges for how to export the mineral wealth that lies under Afghanistan. Beyond the lack of physical infrastructure is an Afghan government that does not have the experience in its ministries to even begin the process of accepting contract offers from potential investors.

The vast potential riches associated with Afghanistan's hidden mineral wealth can be difficult to comprehend, even for Afghan President Hamid Karzai. Last month, during an event at Washington's U.S. Institute of Peace with Secretary of State Hillary Clinton, Karzai described the value of Afghanistan's mineral resources as being between "\$1 to \$3 billion."

Aides off-stage corrected him, saying the value was in trillions, not billions. "Yeah, 3 billion," said Karzai, "No, no, 3 trillion," corrected an aide. Laughing, Karzai replied, "Trillion! Yeah, \$3 trillion. Trillion, sorry. That's what I meant. Trillion, trillion, yeah. \$1 to \$3 trillion."

CNN's take:

Geologists working with the Pentagon have found vast reserves of untapped minerals in Afghanistan that could be worth \$1 trillion, the New York Times reports.

U.S. government officials told the Times the discovery could be enough to drastically alter the economy in the war-torn country and perhaps the actual war itself. The Times cites an internal Pentagon memo, which says the country could become the "Saudi Arabia of lithium."

The discovery was heralded by military and government officials in the

U.S. and Afghanistan alike.

"There is stunning potential here," Gen. David H. Petraeus, commander of the United States Central Command, told the Times. "There are a lot of ifs, of course, but I think potentially it is hugely significant."

The possibility of large amounts of mineral deposits in Afghanistan has been known for a while, but because of constant fighting in Taliban-controlled areas the full extent of the resources haven't been known.

A USGS report and several documents and aerial photos show that attempts to discern the number of deposits and value of minerals have been under way since at least 2006. The 2007 USGS report, which detailed preliminary assessments of the minerals, says previous data on resources were limited to what was produced between 1950 and 1985, but the reserves could not be fully examined because of "the intermittent conflict over the next two decades." (Read preliminary assessment - PDF and the report by the British Geological Survey on the study - PDF)

The Afghan Ministry of Mines says on its website that more research needs to be done to fully understand the economic value of the lithium, beryllium, precious metals and other valuable metals discovered. Other known precious metals in Afghanistan include copper, gold and cobalt. These beginning details, officials said, are what led to a more in-depth study by the U.S. government that resulted in the \$1 trillion estimate.

"This will become the backbone of the Afghan economy," Jalil Jumriany, an adviser to the Afghan minister of mines, told the Times regarding the discovery of \$1 trillion in resources.

The Times report has been met with some criticism, based on the timing of the news - in the midst of a critical point in the U.S. offensive in Afghanistan.

"Wow! Talk about a game changer. The story goes on to outline Afghanistan's apparently vast underground resources, which include large copper and iron reserves as well as hitherto undiscovered reserves lithium and other rare minerals," writes Blake Hounshell on

Foreign Policy's "Passport" blog. "Don't get me wrong. This could be a great thing for Afghanistan, which certainly deserves a lucky break after the hell it's been through over the last three decades. But I'm (a) skeptical of that \$1 trillion figure; (b) skeptical of the timing of this story, given the bad news cycle, and (c) skeptical that Afghanistan can really figure out a way to develop these resources in a useful way. It's also worth noting, as [New York Times writer James] Risen does, that it will take years to get any of this stuff out of the ground, not to mention enormous capital investment."

Wired magazine was blunt with its headline - "No the U.S. Didn't Just 'Discover' a \$1T Afghan Motherlode" - for its article outlining similar skepticism. Wired references some of the similar reports from 2006 and 2007.

The Wall Street Journal advises caution when it comes to the Minerals agency in Afghanistan.

It "has long been considered one of the country's most corrupt government departments," the WSJ reports.



The GiFiles,
Files released: 5543061

[The GiFiles](#)
[Specified Search](#)



On Monday February 27th, 2012, WikiLeaks began publishing *The Global Intelligence Files*, over five million e-mails from the Texas headquartered "global intelligence" company Stratfor. The e-mails date between July 2004 and late December 2011. They reveal the inner workings of a company that fronts as an intelligence publisher, but provides confidential intelligence services to large corporations, such as Bhopal's Dow Chemical Co., Lockheed Martin, Northrop Grumman, Raytheon and government agencies, including the US Department of Homeland Security, the US Marines and the US Defence Intelligence Agency. The emails show Stratfor's web of informers, pay-off structure, payment laundering techniques and psychological methods.

PER/PERU/AMERICAS

Released on 2013-02-13 00:00 GMT

Email-ID	799868
Date	2010-06-16 12:30:11
From	dialogbot@smtp.stratfor.com
To	translations@stratfor.com

PER/PERU/AMERICAS

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corrected version: adding dropped word in first sentence of ninth paragraph For assistance with multimedia elements, contact OSC at 1-800-205-8615 or oscinfo@rccb.osis.gov.

2) Bolivia Press 15 June 10

For assistance with multimedia elements, contact OSC at 1-800-205-8615 or oscinfo@rccb.osis.gov.

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Report by Louise Flanagan and Kristen van Schie: "World Cup Police, Courts Blitz Criminals" - "Range of Nationalities Fall Foul of the Law"

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Southern Cone Crime and Narcotics Issues 14 Jun 10

corrected version: adding dropped word in first sentence of ninth paragraph For assistance with multimedia elements, contact OSC at 1-800-205-8615 or oscinfo@rccb.osis.gov. - Southern Cone -- OSC Summary Tuesday June 15, 2010 11:33:15 GMT

-- The official website of the National Border Guard (GN) of Argentina on 13 June carries a report datelined Buenos Aires stating that GN personnel seized 36 kg of marijuana and arrested three individuals after raiding one property in Misiones Province and conducting another three raids in Cordoba Province, where they stopped a pickup truck in which marijuana bricks had been hidden. There were 27 marijuana bricks hidden in the vehicle. The GN personnel also seized two 11.25-caliber loaders and documents. Another vehicle was also seized in connection with this case. (National Border Guard of the Argentine Nation -- Official website of the Argentine National Border Guard; URL: <http://www.gendarmeria.gov.ar>) GN personnel show the marijuana hidden in the vehicle ([gendarmeria.gov.ar](http://www.gendarmeria.gov.ar), 13 June)

More of the seized marijuana ([gendarmeria.gov.ar](http://www.gendarmeria.gov.ar), 13 June)

GN Personnel Seize 16 Kg of Cocaine in Salta Province

-- The official website of the National Border Guard (GN) of Argentina on 13 June carries a report datelined Buenos Aires stating that GN personnel seized 16.951 kg of cocaine and arrested two truck drivers and a woman for trying to ship the cocaine to Puerto Cabello in Venezuela through the port of Rosario. The cocaine was hidden inside a tanker truck filled with soybean oil. The GN conducted this operation in the area of Senda Hachada in Salta Province following a three-month investigation after GN agents stopped two Bolivian trucks on National Highway No. 34 that had entered Argentine territory through the Salvador Mazza International Bridge. The seized cocaine was valued at 161,000 pesos (\$40,800) on the border. The

cocaine was inside a plastic bag hanging inside the tank. Judge Raul Reynoso ordered seizing the two trucks involved in this case, a Volvo truck carrying the cocaine, and a Scania. The two arrested Bolivian nationals are 49- and 27-years old and they live in Santa Cruz de la Sierra (Bolivia). The 29-year-old woman was from Salvador Mazza (Salta Province) and she was accompanying the driver of the truck transporting the cocaine. GN agents remove the seized cocaine from tanker truck (gendarmeria.gov.ar, 13 June)

The two seized trucks (gendarmeria.gov.ar, 13 June)

GN Personnel Seize 485 Kg of Marijuana Hidden in a Truck Transporting Tangerines

-- The official website of the National Border Guard (GN) of Argentina on 11 June carries a report datelined Buenos Aires stating that GN personnel arrested two people transporting 485 kg of marijuana hidden in 500 boxes with tangerines in a truck near the locality of Mbopicua in Misiones Province on 10 June. The GN personnel conducted the operation at the 1,466-km marker of National Highway No. 12. A drug-sniffing dog detected the marijuana that was in 27 bags containing 603 marijuana bricks valued at 1.9 million pesos (\$482,000). Drug-sniffing dog detects marijuana in the truck transporting tangerines (gendarmeria.gov.ar, 11 June)

GN agent shows the marijuana camouflaged with tangerines (gendarmeria.gov.ar, 11 June)

GN Personnel Seize Nearly 20 Metric Tons of Marijuana in January-May Period

-- Juan Manuel Bordon writes in Buenos Aires Clarin on 14 June that GN personnel seized nearly 19,714 kg of marijuana during the January-May period, which implies that the amount of seized marijuana rose by 42% compared with the same period in 2009. According to the Secretariat for the Programming and Coordination for the Prevention of Drug Abuse and for the Antinarcotics Struggle (Sedronar), the amount of seized drugs rose because consumption has increased. Paraguay's National Antinarcotics Secretariat (Senad) has reported that there are between 5,000 and 6,000 hectares of marijuana plantations in Paraguay. According to the Senad, 80% of the marijuana grown in Paraguay is taken to Brazil and 15% goes to Argentina. The GN arrested 179 persons between January and May 2010 and

457 individuals during the same period last year in connection with these drug seizures, most of them mules or drivers. The law enforcement authorities conduct most antidrug operations in Misiones, Corrientes, and Entre Rios Provinces. In a related report, Buenos Aires Clarin adds on 14 June that GN personnel have seized another 1,275 kg of marijuana from 1 to 14 June, including a light aircraft transporting 490 kg of marijuana in Corrientes Province on 3 June and another 300 kg of marijuana in Santa Fe Province on 7 June, as well 485 kg of marijuana in a truck transporting tangerines in Misiones Province. (Buenos Aires Clarin.com in Spanish -- Online version of highest-circulation, tabloid-format daily owned by the Clarin media group; generally critical of government; URL: <http://www.clarin.com>) GN personnel conduct counternarcotics operation in Puerto Leoni in Misiones Province on 29 May and detected 2,480 kg of marijuana hidden in paper rolls (clarin.com, 14 June)

Counterfeit Dollar Bills Circulate Throughout Argentina

-- Buenos Aires Clarin on 13 June carries a report by Virginia Messi stating that GN personnel have recently seized \$822,000 in counterfeit dollar bills that come mostly from Peru and Colombia. The counterfeit dollar bills are introduced into Argentina by mail or through mules. Most of the counterfeit dollar bills are \$100 bills. Dollar counterfeiters produce the bills and charge dollar purchasers between 15% and 25% of the face value of the counterfeit bills. The Central Bank of the Argentine Republic has recovered nearly \$400,000 in counterfeit dollar bills in 2009. Counterfeit dollar bills circulate throughout Argentina. Counterfeit dollar bills seized in La Quiaca (Jujuy Province (clarin.com, 13 June)

CHILE Carabineros Personnel Conduct Massive Counternarcotics Operation Throughout Chile

-- Santiago La Tercera reports on 13 June that personnel from the OS-7 Unit of the Carabineros Police Force conducted an operation over the past weekend that led to the arrest of 112 people throughout Chile and seized 6 kg of cocaine, pressed marijuana, and cocaine base paste, as well as arms. The operation was aimed at fighting micro-drug trafficking activities. The Carabineros personnel also found the body of a Bolivian national and next to the body, 63 cocaine capsules. (Santiago La Tercera Online in Spanish -- Website of conservative daily. Belongs to the Copesa Group of Opus Dei member Alvaro Saieh. Requires subscription; URL: <http://www.tercera.com>)
Carabineros Personnel Seize Several Firearms in Private Residence

-- Santiago La Tercera reports on 12 June that Carabineros personnel arrested Jorge Berrios Escanilla, 47, in his home in Las Palmeras neighborhood on 12 June after Katerin Cornejo Cespedes, 24, accused him, who is her employer, of trying to rape her. The man was in possession of two shotguns, an air rifle, a 38-caliber revolver, a bulletproof vest, 2 kg of marijuana, and 2 million pesos in cash (\$3,724). PARAGUAY Senad Agents Destroy Seven Hectares of Marijuana Plantations in Canindeyu Department

-- Asuncion Ultima Hora reports on 11 June that Senad agents destroyed seven hectares of marijuana plantations in Arroyo Guazu in Curuguaty in Canindeyu Department on 11 June. The destroyed marijuana plantations equal to 21 metric tons of marijuana. According to the Senad, 1 kg of marijuana costs approximately \$10. According to the Senad, another two hectares of marijuana plantations must still be destroyed. (Asuncion Ultima Hora.com in Spanish -- Website of leading daily; Majority shareholder business and media entrepreneur A.J.Vierci; URL: <http://www.ultimahora.com/>) Senad agent destroys marijuana plantation (ultimahora.com, 11 June)

National Police Seize 2,154 Kg of Marijuana in Neembucu Department

-- Asuncion Ultima Hora on 11 June carries a report by Juan Jose Brull datelined Pilar stating that National Police personnel conducted an operation on the Parana River in the village of Gaboto, Alberdi district, in Neembucu Department on 10 June and seized 2,154 kg of marijuana. The National Police engaged in a shootout with drug traffickers, but no arrests were made. The drug traffickers were preparing to take the marijuana to Argentina. The drug traffickers abandoned the marijuana, which was in 92 bags, as well as a Potte-brand 28-caliber shotgun, six rounds of ammunition, a Chinese JW 22-caliber rifle. Counternarcotics Agents Seize 30 Kg of Marijuana in Police Post in Amambay Department

-- Asuncion Ultima Hora on 11 June carries a report by Marciano Candia datelined Pedro Juan Caballero stating that Judge Luis Benitez ordered raiding Police Post No.10 in Colonia Ybypa in Pedro Juan Caballero (Amambay Department) on 11 June. The law enforcement authorities found 30 kg of marijuana in those police facilities. Noncommissioned officers Liborio Rios Jara, Crispin Coronel Aguilar, Hugo Canete, and Fredy Moreira Torales were arrested during the operation after the police found marijuana hidden in the backyard of the Police Post. Police Post No. 10

(ultimahora.com, 12 June)

URUGUAY

No selection TRIBORDER AREA Senad Seizes More Than 3 Kg of Cocaine in Ciudad del Este

-- Asuncion Ultima Hora reports on 12 June that Senad personnel seized 3.085 kg of cocaine ready to be sold in a property in Acaray in Ciudad del Este (Alto Parana Department) on 11 June. The Senad personnel arrested Raimundo Fernandez Duarte, 48, who claimed that some Brazilian nationals had asked him to take care of some merchandise. Two packets containing cocaine were found in Fernandez Duarte's bedroom and another packet was found in the kitchen. Prosecutor Manuel Rojas Rodriguez said that the cocaine probably came from Colombia. Cocaine seized in Ciudad del Este (ultimahora.com, 12 June)

The following media were scanned and no file-worthy items were found: Santiago El Mercurio, Asuncion ABC Color, Montevideo El Observador, Montevideo El Pais, and Montevideo La Republica.

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Bolivia Press 15 June 10

For assistance with multimedia elements, contact OSC at 1-800-205-8615 or oscinfo@rccb.osis.gov. - Bolivia -- OSC Summary

Tuesday June 15, 2010 12:17:04 GMT

-- La Paz La Prensa reports that the Eastern Bolivian Indigenous Peoples and Communities Confederation (CIDOB) has decided to march more than 1,400 km to pressure the government to change its stance on indigenous autonomies. CIDOB leaders who abandoned talks with the government at the weekend have announced that the protest march from Trinidad, in the Department of Beni, to La Paz will start on 17 June. CIDOB leader Adolfo Chavez has said the Framework Autonomy Law reduces indigenous powers to a minimum and, as a result, indigenous autonomy "will be symbolic not real". In response, Autonomy Minister Carlos Romero accused non-governmental organizations funded by the US Agency for International Development (USAID) of being behind the indigenous protest. (La Paz La Prensa.com in

Spanish -- Digital version of conservative daily with modest circulation. Owned by Editores Asociados, S.A., member of the Grupo Lider media conglomerate which also includes PAT (Periodistas Asociados de Television), television network recently acquired by the Daher family of Santa Cruz; URL: <http://www.laprensa.com.bo/>) ABI photo of Autonomy Minister Carlos Romero speaking to the press Government Denies Continued EGTK Activity in Bolivia

-- La Paz La Prensa cites Peruvian La Razon as reporting that a Shining Path leader is being protected by the Tupac Katari Guerilla Army (EGTK) in Beni. The Armed Forces, the Special Antinarcotics Force (FELCN) and former EGTK leader Felipe Quispe have denied the information and affirmed that the EGTK is no longer active. Cartoonist Depicts Morales Planning More Trips

-- Lapiztola cartoon in

La Prensa depicts President Evo Morales spinning a wheel to choose his next overseas trip. Government Minimizes Competitiveness of Afghan Lithium

-- La Paz La Prensa reports that yesterday Evaporite Resources Unit Director Alberto Echazu downplayed news about the discovery of large mineral deposits in Afghanistan, including lithium, saying that the Afghan mines would not compete with Bolivian lithium deposits. "From the information we have about other components, it would appear that it is a mining deposit. It is very complex. There are silicates that have to be extracted in mining operations and the production cost is very high, not competitive compared with salt flat mining," Echazu said. Government Analyzes Possible Lithium Partnership With Finland

-- La Paz La Razon also reports in reaction to news of Afghan lithium resources. Government spokesman Ivan Canelas said: "Afghanistan is a country that is practically at war (...), I do not know if it will be easy to resolve that issue (as published)," and added that the find "would in no way" affect Bolivian's lithium industrialization plans. Meanwhile, Mining Minister Jose Pimentel said yesterday that the government was analyzing the possibility of industrializing lithium in partnership with Finland. (La Paz La Razon Online in Spanish -- Digital version of conservative newspaper, owned by the Spanish Promotora de Informaciones, S. A. (Prisa) media conglomerate, which also includes ATB Red Nacional de Television. Although it is not part of Grupo de Diarios de America, it

reproduces special reports by this group of conservative Latin America dailies; URL:

<http://www.la-razon.com> <http://www.la-razon.com>) Government Announces Plans To Reinforce Counternarcotics Activities

SUMMARY/CENTCOM PRESS BRIEFING/Guidance on afghan minerals

Released on 2013-03-12 00:00 GMT

Email-ID 1151854
Date 2010-06-15 17:02:07
From colby.martin@stratfor.com
To analysts@stratfor.com, friedman@att.blackberry.net

SUMMARY/CENTCOM PRESS BRIEFING/Guidance on afghan minerals

SUMMARY

This is a Special Defense Dept. briefing related to the minerals found in Afganistan. The two primary panel members answering questions are Paul Brinkley, director of Task Force for Business and Stability Ops and Jack Medlin, who is with USGS International Programs. The main points are: The mineral wealth in Afganistan is spread throughout the country. It is the indigenous wealth of the Afghan people, and it will allow them to "finance their own security and living." Other quotes on the subject by Mr. Brinkley include "t means economically and in the world given the demand for some of the mineral wealth that Afghanistan possesses, how it enables Afghanistan to begin the march toward its own economically sovereign capability to finance its own human and security needs, that is the path that I think is beginning now. " and "Our focus is, we've identified 20 sites that are worth a lot of money, that will generate enough revenue for the Afghans to pay for their own way. And that's the emphasis we're trying to place on this." (This tracks with George's exit strategy analysis). The trillion dollar estimate of wealth does not include oil/natural gas nor lithium. **The USGS also implies this is only about 30 percent of known resources. Lithium wasn't put on the table of minerals because, "The surveys of the potential lithium sites in the country are under way and are highly positive, very indicative of potential industrial-scale lithium deposits. But they're not ready to measure in terms of cost value yet, which is why they're not included in that**

table." (Interesting that the NYT article leads with Lithium but in reality those sites are not varified) Finally, the mining currently being done in Afganistan is considered "artisan" in nature, read farmer with a pick ax and wheelbarrow. The panel is asked about what kind of time line we would be looking at before it is possible to start making money and they state that infrastructure is the obvious problem and this is obviously not a "quick win."

<http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4643>

Kamran Bokhari wrote:

The 2-star commander of the Frontier Crops just got back to me saying this isn't making sense to him but that he's going to study it and get back to me. Sounds like it has taken even the Pakistanis by surprise. But then again, this guy is a bit lower down the food chain. So he may not be in the loop.

From: analysts-bounces@stratfor.com
[mailto:analysts-bounces@stratfor.com] On Behalf Of Reva Bhalla
Sent: June-14-10 11:42 AM
To: Analyst List
Cc: friedman@att.blackberry.net
Subject: Re: insight? Re: Guidance on afghan minerals

could be a good way to get the Europeans to stick it out longer in Afghanistan as support for the NATO mission wanes in these countries

On Jun 14, 2010, at 10:36 AM, Jennifer Richmond wrote:

Here is some more discussion (back and forth emails) from some guys that were working in the Afghanistan Reconstruction Group. Emailed Said with Kamran's questions.

source 1: This is indeed wonderful news. We all recall how Said patiently explained the geology and mineralogy of the region, but even then I could not have imagined that the value could be this high. As usual, Said (who was my hooch mate) was right! Now we must be sure that

these discoveries are used to benefit the people of Afghanistan.

source 2: Good news... BUT you are forgetting the flip side.... XXX is right... this will not be handled correctly by the US and thus it will merely encourage the War Lords that much harder for control of the land....with the support of the Chinese of course... whom we are protecting with US forces and taxpayer dollars...

As one program director (who has been in Afghanistan since 2006 originally with the DEA) told me in an email..."this is merely encouraging people to buy tickets on the Titanic AFTER it has already hit the iceberg"

Kamran Bokhari wrote:

Can you set the email intro for me? I would like to make first (direct) contact by asking about the extent to which the political principals in country knew about this prior to the NYT leak and what was their response? How does it connect to the talks that Kabul has been having with the Taliban?

From: analysts-bounces@stratfor.com [mailto:analysts-bounces@stratfor.com] On Behalf Of Jennifer Richmond
Sent: June-14-10 10:41 AM
To: Analyst List
Cc: friedman@att.blackberry.net
Subject: Re: insight? Re: Guidance on afghan minerals

Source told me that we can talk directly to Said if we want... Someone else more familiar should take this - let me know. I can set up the email intro, or tell me what to ask and I will go for it.

Jennifer Richmond wrote:

A little more on Said.

The "Said" being referenced was the minerals expert in the Afghanistan Reconstruction Group when I was there. Full name is Said Mirzad. He is one of the addressees in this chain. He always claimed the minerals were there.

Here is a brief on Said Mirzad. He didn't write the article, but he was the person there when I was. Some people thought he was more than optimistic; some thought he was really onto something. It would seem to me that the USGS is a very political organization.

USGS geologist - Afghanistan-born Said Mirzad.

Originally trained in France, Mirzad was director of the Afghanistan Geological Survey before the Soviet invasion in 1979. After that he ran computer services for a small USGS office in San Diego, California. After the terrorist attacks of 11 September, Mirzad's Afghan friendships vaulted him to the USGS headquarters in Reston, Virginia, to help coordinate resource development in Afghanistan.

Mirzad has deep and historic connections in Afghanistan, where his brother-in-law is the minister of defence. Mirzad is also the mentor of the minister of mines, Mohamad Ibrahim Adel, who was one of those criticized for the handling of the Aynak copper bidding competition. Mirzad has powerful allies in Washington DC; both the US State and Defense departments awarded him medals for outstanding service in 2005.

In Afghanistan, Mirzad has aided multiple projects, such as an airborne geological assessment he urged the Karzai government to fund after aid agencies declined. But some also see him as an obstructionist.

Jennifer Richmond wrote:

That was a direct quote, just fyi. Not coming from me. The guy at Ameritech said it.

quote:

Said was right. "Previously unknown" my ass - this is not a "new" discovery. I guess we're there for the long haul, huh?

George Friedman wrote:

No. We don't need to be there to buy and use the stuff. In fact, it increases the pressure on us to leave. The cost of military occupation undermines the economic benefit.

Sent via BlackBerry by AT&T

From: Jennifer Richmond <richmond@stratfor.com>

Date: Mon, 14 Jun 2010 07:55:06 -0500

To: <friedman@att.blackberry.net>; Analyst List<analysts@stratfor.com>

Subject: insight? Re: Guidance on afghan minerals

A family acquaintance who is in contact with Said Mirzad said he knew of the minerals and had been telling people about it. A guy at Ameritech there said: Said was right. "Previously unknown" my ass - this is not a "new" discovery. I guess we're there for the long haul, huh?

George Friedman wrote:

Basic question is whether or not this is a new discovery, well known or myth. Then figure out why this is news now?

Sent via BlackBerry by AT&T

-----Original Message-----

From: Kamran Bokhari <bokhari@stratfor.com>

Date: Mon, 14 Jun 2010 07:47:13

To: <analysts@stratfor.com>

Subject: Re: Guidance on afghan minerals

Yes, I recall in the 90s well before 9/11 there was great talk within

the Muslim world that the United States was going to topple the Taliban regime because the country had massive minerals.

On 14/06/2010 8:39 AM, George Friedman wrote:

This puts pressure on the united states. The charge in the islamic world is that the only reason the us invaded was strategic interest and that 911 was carried out by the government in order to justify invasion. This theory never had a coherent explanation. It just got one. In negotiations this is going to be an issue and taliban will charge that any reluctance to leave was motivated by this design.

I would like someone to trace the story behind this story. Who and why now are things I'd like to know.

Sent via BlackBerry by AT&T

--

Kamran Bokhari

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Reinaldo Taladrid Herrero (Cubavision, 23 Jun 10)

10. 2303 GMT Alonso recalls the commotion in US political and media circles as a result of remarks by General Stanley McChrystal. He shows a video clip on how US media treated the entire affair that ended in the general's dismissal and the appointment of General David Petraeus as his replacement. Alonso introduces "The Corner" segment with Reinaldo Taladrid Herrero who will discuss this matter. Taladrid begins by saying that he has been asked to do an analysis of what happened. He mentions that this is a general with vast experience who knows the rules of the game very well. Taladrid lists a number of facts: 1) In the US Army there are written and unwritten rules: active military members do not opine or meddle in politics in the media or at public events. It is not by mere chance that a magazine goes to Afghanistan and says I want to conduct an interview. It does not work that way, Taladrid states. 2) McChrystal was not the only one to talk. He had all his team talking and 3) The things they said do not leave room for error or to say that the wrong word was used. According to Taladrid, President Obama was facing a dilemma because the Afghan president called the US President asking not to dismiss McChrystal. Richard Holbrooke, the special representative for Afghanistan and Pakistan, met with Pakistani military and civilian leaders and they told him that they sympathized with McChrystal and hoped that he would not be changed. In addition, this is not new, when McChrystal was appointed he said that he needed an increase in men and President Obama took a long

time, he did not want to make a decision, and he did not want to send the men. Why? Because it was just like former President Bush in Iraq. In the meantime, McChrystal filtered a document to the media that if troops were not increased defeat could be expected in Afghanistan, making it public that if the troops were not approved, President Obama would be responsible for the defeat. Taladrid says this was insubordination and adds that a conclusion from all of it is that this was not mere chance, that McChrystal did this intentionally knowing that he was going to be dismissed. Taladrid gives some details of McChrystal's background and previous responsibilities as head of a command in northern Florida. He stresses that there were no objections to his appointment at congressional hearings when he was suggested for the job. Taladrid points to very powerful groups behind all this, basically two groups who differ on way things should be done but always with the same goal in mind. Taladrid speculates about what will happen to McChrystal. According to Taladrid, to extreme rightists McChrystal is a hero because he publicly confronted the president, disobeyed him, and preferred to leave rather than continuing obeying the socialist, democrat, and liberal president, as Republicans view the president. Taladrid predicts that this is not the end for McChrystal because all these generals wind up as directors of companies in the military industrial apparatus. But one should not be surprised, Taladrid says, if by 2012 he appears as candidate for senator in some state. Taladrid concludes that this is a Jigsaw puzzle with many pieces and that McChrystal knew what he was doing and what was going to happen to him. Taladrid suggests that the future of this man be followed. He emphasizes that the most important aspect is how groups of power clash within the empire with different views of how to attain the same objective, an objective that could be the geostrategic positioning in the area, the minerals, the Afghan lithium, the gas pipeline, or a mixture of them.¹¹ 2320 GMT Alonso introduces Martin and Gonzalez, the panelists for the final segment of the program: the 2010 World Soccer cup.¹² 2357 GMT Program ends.

Reception: Good

Duration of broadcast: 87 minutes

(Description of Source: Havana Cubavision in Spanish -- Government owned, government-controlled television station)

Re: insight? Re: Guidance on afghan minerals

Released on 2012-10-19 08:00 GMT

Email-ID	1191577
Date	2010-06-14 15:26:11
From	rbaker@stratfor.com

To analysts@stratfor.com
Re: insight? Re: Guidance on afghan minerals

OK, China is in there for copper currently. Bought its stake in '07/'08 (at least part of it was originally owned by Freeport MacMoran, according to CNBC, though that could have been somewhat misstated, given the info innt eh second article below). In short, though, the US and others have been talking about Afghan minerals for years. Lithium may be something not really looked at in full before, but certainly oil, iron, copper, gold, uranium and gems have.

Released on 2012-10-19 08:00 GMT

Email-ID	1151285
Date	2010-06-14 16:52:37
From	sean.noonan@stratfor.com
To	analysts@stratfor.com

Afghan_Motherlode?=-

embedded links at the Wired link.

No, The U.S. Didn't Just `Discover' a \$1T Afghan Motherlode

* By Katie Drummond Email Author

* June 14, 2010 |

* 10:20 am |

<http://www.wired.com/dangerroom/2010/06/no-the-military-didnt-just-discover-an-afghan-mineral-motherlode/#ixzz0qq5tr9gG>

Despite what you may read this morning, the U.S. military did not just "discover" a trillion dollars' worth of precious minerals in Afghanistan.

The New York Times today proclaimed that Afghanistan is apparently poised to become "the Saudi Arabia of lithium" - a metal used to produce gadgets like iPods and laptops. The discovery will also, according to Pentagon documents quoted by the Times, fundamentally transform the country's opium-reliant economy.

But the military (and observers of the military) have known about Afghanistan's mineral riches for years. In a 2007 report, the Geological Survey and the Navy concluded that "Afghanistan has significant amounts of

undiscovered non-fuel mineral resources," including "large quantities of accessible iron and copper [and] abundant deposits of colored stones and gemstones, including emerald, ruby [and] sapphire."

Not to mention that the \$1 trillion figure is - at best - a guesstimate. None of the earlier U.S military reports on Afghan's mineral riches cite that amount. And it might be prudent to be wary of any data coming out of Afghanistan's own Mines Ministry, which "has long been considered one of the country's most corrupt government departments," the Wall Street Journal reports.

And the timing of the "discovery" seems just a little too convenient. As Blake Hounshell at Foreign Policy notes, the Obama administration is struggling to combat the perception that the Afghan campaign has "made little discernible progress," despite thousands of additional troops and billions of extra dollars.

Still, Pentagon officials are touting the find as a potential economic game-changer - and one that could end decades of conflict. But whether it's oil or coltan, rich pockets of resources are always a mixed blessing. Just ask children in Congo, home to 80 percent of the world's coltan supply, who were forced to mine for the precious metal that was later used to manufacture tech gadgets.

It'll take years, and a ton of capital investment, before Afghanistan's deposits can even be mined. And when they can, it's anybody's guess who'll actually be profiting. Hounshell sums up the mess nicely:

Meanwhile, the drive for Kandahar looks to be stalled in the face of questionable local support for Karzai's government, the Taliban is killing local authorities left and right, and the corruption situation has apparently gotten so bad that the U.S. intelligence community is now keeping tabs on which Afghan officials are stealing what.

Read More

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AFGHANISTAN

1) Afghanistan could be holding \$1 trillion of untapped mineral deposits including critical industrial metals such as lithium, the New York Times reported, quoting US government officials. - DAWN -

<http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/world/04-us-discovers-1trillion-mineral-deps-afg-qs-04>

2) The previously unknown deposits - including huge veins of iron, copper, cobalt, gold and critical industrial metals like lithium - are so big and include so many minerals that are essential to modern industry that Afghanistan could eventually be transformed into one of the most important mining centers in the world, the United States officials believe. - NYT - <http://www.nytimes.com/2010/06/14/world/asia/14minerals.html?hp>

Re: MISC - U.S. Identifies Vast Riches of Minerals in Afghanistan (NYT)

Released on 2012-10-19 08:00 GMT

Email-ID 395537

Date 2010-06-14 17:57:44

From mongoven@stratfor.com

To morson@stratfor.com, defeo@stratfor.com, pubpolblog.post@blogger.com

Re: MISC - U.S. Identifies Vast Riches of Minerals in Afghanistan (NYT)

No, we're arming ourselves off of middle eastern oil to become dependent on Chinese battery makers and renewable energy parts. Let them worry about Morales and the Taliban

On Jun 14, 2010, at 11:44 AM, Joseph de Feo <defeo@stratfor.com> wrote:

Fascinating piece by Jim Risen in today's NYT. Afghanistan the "Saudi Arabia of lithium." Evo Morales has big plans to make Bolivia the world capital of lithium batteries and electric cars, and I'm not sure this really affects it -- Afghanistan is possibly the only place even less capable than Bolivia of getting its lithium out of the ground and into commerce.

By the way, are we weaning ourselves from dependence on Middle Eastern oil only to become dependent on Latin American and Near Eastern/Central Asian lithium?

<http://www.nytimes.com/2010/06/14/world/asia/14minerals.html?pagewanted=all>
U.S. Identifies Vast Riches of Minerals in Afghanistan - NYTimes.com |
By JAMES RISEN

WASHINGTON a The United States has discovered nearly \$1 trillion in untapped mineral deposits in Afghanistan, far beyond any previously known reserves and enough to fundamentally alter the Afghan economy and perhaps the Afghan war itself, according to senior American government officials.

The previously unknown deposits including huge veins of iron, copper, cobalt, gold and critical industrial metals like lithium are so big and include so many minerals that are essential to modern industry that Afghanistan could eventually be transformed into one of the most important mining centers in the world, the United States officials believe.

An internal Pentagon memo, for example, states that Afghanistan could become the Saudi Arabia of lithium, a key raw material in the manufacture of batteries for laptops and BlackBerrys.

The vast scale of Afghanistana's mineral wealth was discovered by a small team of Pentagon officials and American geologists. The Afghan government and President Hamid Karzai were recently briefed, American officials said.

While it could take many years to develop a mining industry, the potential is so great that officials and executives in the industry believe it could attract heavy investment even before mines are profitable, providing the possibility of jobs that could distract from generations of war.

There is stunning potential here, a Gen. David H. Petraeus, commander of the United States Central Command, said in an interview on Saturday. There are a lot of ifs, of course, but I think potentially it is hugely significant.

The value of the newly discovered mineral deposits dwarfs the size of Afghanistan's existing war-bedraggled economy, which is based largely on opium production and narcotics trafficking as well as aid from the United States and other industrialized countries. Afghanistan's gross domestic product is only about \$12 billion.

"This will become the backbone of the Afghan economy," said Jalil Jumriany, an adviser to the Afghan minister of mines.

American and Afghan officials agreed to discuss the mineral discoveries at a difficult moment in the war in Afghanistan. The American-led offensive in Marja in southern Afghanistan has achieved only limited gains. Meanwhile, charges of corruption and favoritism continue to plague the Karzai government, and Mr. Karzai seems increasingly embittered toward the White House.

So the Obama administration is hungry for some positive news to come out of Afghanistan. Yet the American officials also recognize that the mineral discoveries will almost certainly have a double-edged impact.

Instead of bringing peace, the newfound mineral wealth could lead the Taliban to battle even more fiercely to regain control of the country.

The corruption that is already rampant in the Karzai government could also be amplified by the new wealth, particularly if a handful of well-connected oligarchs, some with personal ties to the president, gain control of the resources. Just last year, Afghanistan's minister of mines was accused by American officials of accepting a \$30 million bribe to award China the rights to develop its copper mine. The minister has since been replaced.

Endless fights could erupt between the central government in Kabul and provincial and tribal leaders in mineral-rich districts. Afghanistan has a national mining law, written with the help of advisers from the World Bank, but it has never faced a serious challenge.

"No one has tested that law; no one knows how it will stand up in a fight between the central government and the provinces," observed Paul A. Brinkley, deputy undersecretary of defense for business and leader of the Pentagon team that discovered the deposits.

At the same time, American officials fear resource-hungry China will try to dominate the development of Afghanistan's mineral wealth, which could upset the United States, given its heavy investment in the region. After winning the bid for its Aynak copper mine in Logar Province, China clearly wants more, American officials said.

Another complication is that because Afghanistan has never had much heavy industry before, it has little or no history of environmental protection either. The big question is, can this be developed in a responsible way, in a way that is environmentally and socially responsible? Mr. Brinkley said. No one knows how this will work.

With virtually no mining industry or infrastructure in place today, it will take decades for Afghanistan to exploit its mineral wealth fully. This is a country that has no mining culture, said Jack Medlin, a geologist in the United States Geological Survey's international affairs program. They've had some small artisanal mines, but now there could be some very, very large mines that will require more than just a gold pan.

The mineral deposits are scattered throughout the country, including in the southern and eastern regions along the border with Pakistan that have had some of the most intense combat in the American-led war against the Taliban insurgency.

The Pentagon task force has already started trying to help the Afghans set up a system to deal with mineral development. International accounting firms that have expertise in mining contracts have been hired to consult with the Afghan Ministry of Mines, and technical data is being prepared to turn over to multinational mining companies and other potential foreign investors. The Pentagon is helping Afghan officials arrange to start seeking bids on mineral rights by next fall, officials said.

The Ministry of Mines is not ready to handle this, Mr. Brinkley said. We are trying to help them get ready.

Like much of the recent history of the country, the story of the discovery of Afghanistan's mineral wealth is one of missed

opportunities and the distractions of war.

In 2004, American geologists, sent to Afghanistan as part of a broader reconstruction effort, stumbled across an intriguing series of old charts and data at the library of the Afghan Geological Survey in Kabul that hinted at major mineral deposits in the country. They soon learned that the data had been collected by Soviet mining experts during the Soviet occupation of Afghanistan in the 1980s, but cast aside when the Soviets withdrew in 1989.

During the chaos of the 1990s, when Afghanistan was mired in civil war and later ruled by the Taliban, a small group of Afghan geologists protected the charts by taking them home, and returned them to the Geological Survey's library only after the American invasion and the ouster of the Taliban in 2001.

There were maps, but the development did not take place, because you had 30 to 35 years of war, said Ahmad Hujabre, an Afghan engineer who worked for the Ministry of Mines in the 1970s.

Armed with the old Russian charts, the United States Geological Survey began a series of aerial surveys of Afghanistan's mineral resources in 2006, using advanced gravity and magnetic measuring equipment attached to an old Navy Orion P-3 aircraft that flew over about 70 percent of the country.

The data from those flights was so promising that in 2007, the geologists returned for an even more sophisticated study, using an old British bomber equipped with instruments that offered a three-dimensional profile of mineral deposits below the earth's surface. It was the most comprehensive geologic survey of Afghanistan ever conducted.

The handful of American geologists who pored over the new data said the results were astonishing.

But the results gathered dust for two more years, ignored by officials in both the American and Afghan governments. In 2009, a Pentagon task force that had created business development programs in Iraq was transferred to Afghanistan, and came upon the geological data. Until then, no one besides the geologists had bothered to look at the

information and no one had sought to translate the technical data to measure the potential economic value of the mineral deposits.

Soon, the Pentagon business development task force brought in teams of American mining experts to validate the survey's findings, and then briefed Defense Secretary Robert M. Gates and Mr. Karzai.

So far, the biggest mineral deposits discovered are of iron and copper, and the quantities are large enough to make Afghanistan a major world producer of both, United States officials said. Other finds include large deposits of niobium, a soft metal used in producing superconducting steel, rare earth elements and large gold deposits in Pashtun areas of southern Afghanistan.

Just this month, American geologists working with the Pentagon team have been conducting ground surveys on dry salt lakes in western Afghanistan where they believe there are large deposits of lithium. Pentagon officials said that their initial analysis at one location in Ghazni Province showed the potential for lithium deposits as large as those of Bolivia, which now has the world's largest known lithium reserves.

For the geologists who are now scouring some of the most remote stretches of Afghanistan to complete the technical studies necessary before the international bidding process is begun, there is a growing sense that they are in the midst of one of the great discoveries of their careers.

On the ground, it is very, very promising, a Mr. Medlin said.

Actually, it is pretty amazing.

Pakistani Editorial Asks Afghan People To Take Action To Save Resources
Editorial: "Discovery of Precious Mineral Resources in Afghanistan" -
Nawa-e Waqt

Thursday June 17, 2010 14:47:01 GMT

unearthed nearly \$1 trillion untapped mineral deposits beneath the Afghan soil, which is far beyond any previously known reserves.

The report says the previously unknown deposits -- including huge veins of iron, copper, cobalt, gold, and critical industrial metals like lithium -- are so huge and include numerous minerals, which are requisite for modern industry, that the US officials believe Afghanistan can be eventually transformed into one of the most important mining centers of the world. A US official stated that Afghanistan could become the "Saudi Arabia of

lithium," a key raw material, which is required to manufacture batteries. These lithium reserves are even larger than those of Bolivia, the largest lithium exporter in the entire world. These lithium reserves can be exported to transform Afghanistan into Saudi Arabia. There are vast resources of copper that Afghanistan can become the largest copper exporting country of the world.

Afghanistan is a poor country and through the unearthed mineral resources, it can become a prosperous and developed country like Saudi Arabia. However, these days, Afghanistan is in the clamps of Jews and Christians.

Today, in Afghanistan, these imperial forces have let a hell loose in the name of war on terror. After the 9/11 incident, when the United States invaded Afghanistan, the global media raised the point that the United States had fixed its eyes on rich resources of Afghanistan and its mineral treasures. Finally, it has been proved true today.

In fact, their agenda was essentially to occupy the Afghan resources and make use of this wealth. This is the very reason because of which the US experts continued their research and exploration even in the war-hit areas of Afghanistan.

Today, it has become more crucial for the Afghan people not to let the United States and its allies occupy the Afghan resources; otherwise these foreign forces will permanently stay in the areas of Afghanistan. The mujahidin should accelerate their activities and should kick out these imperial forces before these imperialists take away precious reserves and resources and materialize their flagitious plans.

President Hamid Karzai should also use wisdom and take courageous steps to stop falling Afghan wealth in the hands and use of the United States.

(Description of Source: Rawalpindi Nawa-e Waqt in Urdu -- Privately owned, widely read, conservative Islamic daily, with circulation around 125,000. Harshly critical of the US and India.)

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Discovery of Lithium will Add new Dimension to Afghan Issue

Article by I. M. Mohsin: "Alexrod on Afghanistan" - The Nation Online
Thursday June 17, 2010 08:23:14 GMT

A speculative news item carried by The New York Times during last week set off ripples in the American political circle. To guard against some vicious reaction from the rightwing, President Barack Obama's senior Advisor David Alexrod felt obliged to issue last Sunday a clarification about the state of the ongoing war and attempts at reaching a settlement

with the Taliban.

Prior to that Secretary Robert Gates had explained his perception of the current ground realities in Afghanistan. Claiming to have told President George Bush, on accepting the office of Secretary Defence, he reiterated that Afghanistan had received scant attention from the Republican administration. He, however, indicated that post-surge developments had undercut the Taliban advance under the new strategy this year. If the objective conditions are any guide, such a statement would appear to be wishful. Then, if this were so, the Taliban would not have publicly spurned the peaceful overtures being made by President Hamid Karzai. This appears to be a part of a baffling strategy being pursued by the US Department of Defence or general staff whereby attacks by the Taliban are being ignored. Instead thereof insinuations are being made that the 'enemy' is losing ground.

Repeating the statement of Karzai made before the peace jirga, Alexrod said that a new government could emerge in Kabul wherein the Taliban would form a coalition. Such an arrangement would ensure security for the people and this would lead to the start of the requisite development process in a safer environment. He also expressed the hope that on joining such an arrangement, the Taliban would lay down their arms and devote their undivided attention to the reconstruction of their war-torn country. Citing this as an indispensable condition, he still expressed the hope that Karzai's efforts will bear fruit as there are many indications to that effect.

Indeed, this appears to be more of a psychological warfare and less of a strategy for the people of the region concerned. Such assertions may lull the public opinion in the US, to some extent, but for the Afghans it is like 'Alice in Wonderland'. In Afghanistan, the people generally are baffled as they cannot correlate the prevailing mess to such homilies. While Karzai and his mentors are active on the propaganda front, the Taliban are maintaining a queer silence besides launching attacks against the US forces at places of their choice subject to their own programme. Whenever they speak up, they only display their derision for such conciliatory initiatives.

The New York Times report also utilised a statement made by Amrullah Saleh, the 36-year old former intelligence chief, to the effect that Karzai was holding private discussions with the Taliban and Pakistan. Incidentally, Saleh was fired by the Kabul government following the brazen attacks by the Taliban on the peace jirga. Apparently, his 'revelation' should have made no news which the concerned journalist tried to blow up. But Alexrod also hinted at the same in his reply on Saleh, calling his assertions as "coloured".

Saleh had also indicated that the US wanted to 'rule' Afghanistan which had frustrated too many people. On this, the US presidential Advisor made

it clear that his country's objective could be easily specified. He maintained: "The mission is about Al-Qaeda, about putting pressure on Al-Qaeda on both sides of the border, about not letting Afghanistan become a safe harbour, safe haven for Al-Qaeda again." Wanting to sound more convincing, he went on to emphasise: "Ultimately this is about our security and that's why we are there."

The Advisor also recounted some of the successes scored by the US forces since the new administration took over. He stressed that half of the Taliban's top 20 leaders had been killed, thanks to the cooperation extended by the Government of Pakistan. Likewise, some operations conducted in Afghanistan had also yielded similar results. However, to back up the ongoing peace overtures in Kabul, he concluded: "At the end of the day, however, we've always said that this will involve the future of Afghans....It will involve a political solution just as it did in Iraq."

Nevertheless, President Karzai seems to be pushing ahead with his peace mission in a manner which no 'Vichy' government can ever afford to do. His mentors, the US, have to be connected to the said stance all over to bring peace to Afghanistan.

Lately, the US administration is openly supporting such moves although till early this year they were prone to keep mum.

Britain's new Prime Minister David Cameron after visiting Afghanistan last week has also used a very diplomatic lingo to reflect a similar approach. His statement to the House of Commons on Monday reflected his serious interest in pulling out of this quagmire. He has lately claimed that Al-Qaeda is really "weakened" for now, implying that the Afghans should take over their own security so that the "foreign troops" can be divested from Afghanistan quickly. This is also the stated position of President Barack Obama, who wants to start withdrawing his forces by mid next year. Even if it holds good, Sergei Ivanov, the Russian Deputy Prime Minister, thinks that the US troops would have to stay longer than the Russians did in Afghanistan.

A US report suggests that huge deposits of iron, copper, gold and lithium have been discovered worth a trillion dollars. If this is so, then it raises the stakes for both the Afghans and the American administration. So far, the US administration has been known to be heavily influenced by its oil lobby in the post-9/11 conduct towards the ongoing war. Now another dimension would be involved. The US has certainly lost a lot of goodwill among the Afghans already and what the neocons might do now will hurt the US badly.

In this scenario, Russia may also want to benefit from such a valuable resource next door. However, it may find many difficulties in its way.

The Chinese stand a good chance of winning the goodwill of the Afghans

despite the fact that it may provoke ire of the Indians, who are being built by the US for a peculiar role in the region.

Above all, Pakistan could be crucial in the fruitful utilisation of such natural resources by Afghanistan. The two countries can cooperate with China and co-opt some other ally to successfully hit out of trouble.

The writer is a former Secretary Interior.

(Description of Source: Islamabad The Nation Online in English -- Website of a conservative daily, part of the Nawa-i-Waqt publishing group. Circulation around 20,000; URL: <http://www.nation.com.pk>)

Article Discusses Report About Deposits of Minerals in Afghanistan

Article by Arif Ayub: "Minerals in Afghanistan" - The Nation Online
Wednesday August 11, 2010 11:41:23 GMT

On June 17, 2010, the New York Times and the rest of the US media led prominent stories on US geologists having discovered vast deposits of iron, copper, gold, lithium and other minerals in Afghanistan worth an estimated one trillion dollars. For good measure, the Afghan government claimed that actually their resources were worth three trillion dollars. While these reports are absolutely true, they are equally meaningless. Firstly, the discoveries are not new and were first brought to international attention by the Russian geologists in the 60's. Secondly, the figure of one trillion dollar is the technological value of the survey. More important is the financial feasibility report, particularly the economic feasibility report, which also includes the environmental impact.

In Kabul, I had seen the Russian reports in the Ministry of Mines which covered almost all the discoveries being currently announced by the US media including the petroleum and gas deposits in northern Afghanistan. The Taliban Minister said with considerable irony that the Afghan government had been very concerned about the welfare of their future generations and therefore had made no attempt to exploit these resources.

The Haji Gak iron deposits which are particularly mentioned in the reports were discovered in the early 60's and in fact our Commerce Minister Ghulam Farooque Khan had suggested that instead of the Karachi Steel Mill we should consider the alternative of a Steel Mill at Kalabagh using Afghan ore. However, there was difficulty in ensuring regular supplies given the Afghan attitude towards Pakistan in those days, because of the hard line policies of Daud Khan. It was a case of Pashtun adventurism winning over Pashtun pragmatism. After 50 years, the situation has not changed much.

The only country bold enough to take the plunge to invest massively in Afghanistan has been China. The China Metallurgical Group and Jiangxi Copper Company won a bid in 2007 to develop the Aimak Copper Mine paying a royalty of \$400 million per year to the Afghan government, whose total

revenues currently are at one billion dollars. The Chinese are also planning to put up a power plant in Logar to run the copper mine and also build local road connections and transnational railways lines in an investment that is expected to reach four billion dollars. According to reports, the Aimak Mine alone is expected to produce 12 million tons of copper out of Afghanistan's total estimated reserves of 60 million tons of copper.

Details of the US Geological Survey conducted in 2007 are as follows:

Mineral Potential Value in current prices (\$ Billion)

Iron 421

Copper 274

Niobium 81

Cobalt 51

Gold 25

Molybdenum 24

Rare Earth Elements 7

Asbestos 6

Silver 5

Potash 5

Aluminium 4

Graphite 1

Lapis Lazuli 1

Fluorite 1

Phosphorus 1

Led, Zinc, Mercury, Strontium 1

Sulphur, Talc, Magnetite, Kaolin 1

In their preliminary assessment of non-fuel mineral resources for Afghanistan, the US Geological Survey estimated that 2.2 billion tons of iron was available in the Haji Gak deposit alone with 69 percent iron. In addition, there are also considerable deposits between 47 and 68 percent

iron, making it one of the largest iron deposits in Asia. So far, the Indian companies are in the lead bidding for the mining rights including Essar Minerals, Rashtriya Ispat Nigam and Ispat Industries. The Chinese Metallurgical Group was also a bidder but pulled out after allegations that it had won the Aymak copper contract by paying \$30 million in bribes.

Besides these non-fuel deposits the Russian had discovered considerable quantities of oil and gas in the area around Mazar-i-Sharif, some of which is already being exploited, with small fertiliser factory. There are also confirmed deposits of Naphtha in the Polekhumri region, while reports of petroleum deposits in the Kandhar and Helmand region.

Despite this immense geological wealth many of the deposits are in zones dominated by the insurgency and have little or no infrastructure. In the Afghan bureaucracy, corruption is high and government performance and rule of law are weak. Afghanistan therefore has a long way to go before it can take advantage of its mineral wealth. We had a similar experience in Pakistan where we have been unable to utilise the Thar coal deposits or the copper deposits at Rekodiq (which are comparable to those at Aimak).

The New York Times seems to have realised that it had been a victim of media hype and within one week it accepted the conventional wisdom that the minerals in Afghanistan required considerable investment for mining and processing, as well as for infrastructure development in railways and roads, which would be particularly expensive in the mountainous and undeveloped regions of Afghanistan where these minerals are normally found. Gold, silver, copper and other minerals are usually located in ore that must be reached by tunnel, blasted out by the tons, carried to the surface and ground to powder for processing. Digging the shafts and building elevators, processing plants and infrastructure can cost several billion dollars for a single mining operation. Economic recoverability also requires that a resource cannot only be produced, but also exported for less money than its sale value, in order to provide enough return on investment to account for the associated risks of the investor. This assumes that the US military would succeed in securing the lines and supply lines and they would be in the country for the next 10 years in order for the project to bear fruit. Electricity plants also need to be built close to the sites since mining projects require enormous amount of energy. In Afghanistan, despite the passage of 10 years, the US has still not been able to provide the generators to make functional the Kajkai hydroelectric project on Helmand River. It seems unlikely therefore that the new power projects could be established within the economic framework of time relevant to the mining projects.

The writer is a former ambassador.

(Description of Source: Islamabad The Nation Online in English -- Website of a conservative daily, part of the Nawa-i-Waqt publishing group. Circulation around 20,000; URL: <http://www.nation.com.pk>)

Review of Various U. S. UAVs That Are Needed by RF Ministry of Defense

Article by Vladimir Shcherbakov on the new unmanned flying vehicles [UAVs] being developed in the United States that are of interest to the Ministry of Defense of Russia, particularly the hand-launched UAVs that use hydrogen fuel cells in their power plants: "How the Problems of Developing Mini-Drones Are Being Resolved" - Voenno-Promyshlennyy Kuryer Online Wednesday August 11, 2010 18:40:43 GMT

According to the most conservative estimates, in the last decade alone, the Pentagon has acquired no less than 12,500 UAVs of various types--UAVs that are narrowly specialized. Such UAVs usually have a take-off weight ranging from about .25 kilograms to 6.5 kilograms and a wingspan ranging from .7 meters to 2.7 meters. They can be transported, along with the control panel and, if necessary, auxiliary equipment, in one or two backpacks. The drones snapped together and made ready for launch in a matter of minutes. After that, the soldier only has wave his hand, in a literal sense, and send the aerial mini-robot flying up into the sky (that is, the soldier uses his hand to hurl the drone into the sky).

Two hours are not sufficient.

At the same time, regardless of its small dimensions and weight, the man-portable UAVs are quite capable of conducting reconnaissance, primarily in the optical and/or infrared ranges. They are also able to transmit reconnaissance information about the enemy to the control panel of the operator in real time, providing a current picture of the situation on a battlefield for the commander of a subunit and even an individual soldier.

The payload of these UAVs usually include compact video cameras, photo cameras, and televisions. An electric motor, powered by a battery, is used as the power plant for the UAVs. That makes it possible to reduce the noise and weight of the UAV. At the same time, it makes the UAV more explosion-proof and fireproof.

But, on the other hand, such drones also have a number of shortcomings. The most serious shortcoming is the small duration of the flight, which is due to the small size and take-off weight of the drone. Its small size does not allow the placement of a significant quantity of power sources onboard. As a result, as a rule, the mini-drones are not able to be in the sky for more than one or two hours.

Of course, for the fulfillment of the majority of tasks, for which such UAVs were designed, this is enough time. All the same, the mini-drone is a means for operational reaction. It is a pre-strike staging vehicle, so to speak. However, after analyzing the results of the operation of UAVs of this class, including their operation in combat conditions, for example, during the operations in Afghanistan and Iraq, the American generals and military experts reached a conclusion on the necessity to increase the

flight duration of the man-portable drones by a factor of 1.5 or a factor of 2. And, if possible, by even more than that.

Recently, in an interview, a representative of a department of the U. S. Air Force Research Laboratory, which engages in research in the sphere of the adaptation of hydrogen fuel cells to power plants of flying vehicles of various types, made the following statement to journalists: "A long flight duration is very important for the military. That will make it possible for the American soldiers to keep targets under observation for a longer period of time and it will also make it possible to carry out reconnaissance and observation over a large area until the drone ends its flight or is recalled for a recharging of the battery or the replenishment of the fuel supply. On a modern battlefield, information is a key factor. Consequently, by increasing the flight duration, we can significantly increase the amount of reconnaissance information that is accessible for us and forces that are allied with us."

A hybrid engine.

In this connection, however, a question immediately arises: How can the flight duration of the UAV be increased without a substantial increase in its size and weight? Indeed, it is not possible, at the present time, to obtain a positive result by increasing the effectiveness of the operation of the batteries or an increase in the number of them aboard the UAV: The engineers are not promising to develop batteries with greatly improved working characteristics in the near future.

A number of companies and organizations, of course, are trying to develop more compact engines, which use organic types of fuel, or engines of the hybrid type. Thus, in the beginning of 2010, the American agency, DARPA (Defense Advanced Research Projects Agency), awarded a contract to Aurora Flight Sciences that provides funding for the first stage of development of small UAVs with hybrid power plants of a new type. The power plant will consist of an electric motor and a compact turbo-diesel engine.

The new motor must have more effectiveness, horsepower, and fuel efficiency. It also must make less noise in comparison with the gas engines that are being used today. At the same time, its power must not be less than 10 horsepower. The purpose of this work, which is being carried out by specialists of Aurora Flight Sciences, is to adapt a diesel engine, which requires heavy fuel, to drones. At the present time, that is not expedient, mainly because of the relatively large sizes and weights of motors that use diesel fuel or JP-8.

However, such engines are still only prospective projects. At the present time, it is necessary to increase the flight duration.

Hydrogen fuel cells.

It has been managed to find a solution. The use of hydrogen fuel cells as energy sources. Fortunately, real break-through results have been achieved in this sphere in recent years in the West.

For example, Protonex, a company which engages in the development of hydrogen fuel cells, recently demonstrated the possibility of increasing the flight duration of a UAV, which was equipped with hydrogen fuel cells (the take-off weight of the UAV was 6.3 kilograms), to nine hours. And, according to the specialists of Protonex, the volume of the fuel cells and fuel cartridge together is a little less than that of a 2-liter bottle of Coca-Cola.

Previously, the company had developed a wide range of fuel elements with powers ranging from 100 to 500 watts. True, in this case, it was necessary to put a lithium-ion battery onboard the UAV in order to obtain additional power during the take-off and landing of the UAV. The battery itself, however, is recharged by the hydrogen fuel cell in flight.

In an interview with the leading American political-military weekly, Defense News, Scott Pearson, the head of the Protonex company, said that drones, equipped with hydrogen fuel cells and lithium-ion batteries, can remain in the air two to three times longer than their counterparts, which have traditional power plants with electric motors.

The results of the tests made a good impression on the leadership of the U. S Department of Defense, which soon awarded a contract to the company. The contract amounts to 3.3 million dollars and it is for the development of an improved type of fuel cell, as well as the accompanying equipment and instrumentation.

It is planned that the hydrogen fuel cell, on the development of which specialists of Aurora Flight Sciences have been working, will be integrated into the power plant of a Puma AE UAV, which was developed by the company, AeroVironment. The length of this UAV is 1.4 meters. The wingspan is 2.7 meters. The drone is designed for the conducting of reconnaissance in daytime and nighttime conditions, for which it is equipped with electro-optical and infrared cameras. The power plant of the drone is an electric engine (that is, the electric engine turns the UAV's propeller, whereas the fuel cell powers the cameras, communications gear, and flight controls and recharges the batteries for the electric motor). All of the onboard equipment is for reconnaissance. The systems for flight control and communications with the ground based controller also have electrical power.

It was not by chance that AeroVironment was selected for this project. The specialists of this company had the honor of developing the RQ-11A "Raven", perhaps the most famous hand-launched UAV in the world. The weight of the Raven is 1.9 kilograms. The fleet of these UAVs in the U. S. Armed Forces alone numbers about 4,000. The first flight of these drones

took place in 2001 and just a few years later, in 2003, they were accepted into the arsenal of the U. S Armed Forces. Subunits of the Special Operations Command of the U. S, Armed Forces was the first to receive the Ravens in significant quantities. In accordance with the initial contract, about 850 drones of this type were purchased. Each drone cost about 35,000 dollars (the cost of one whole system is about 250 thousand dollars).

Problems of technology.

The following is stated in one of the advertising bulletins of the Protonex company: "All that you have to do is add water. After that, you will obtain a fuel with a high energy density."

The reference here is to hydrogen, which is released when (sodium) borohydrate is mixed with simple water and exposed to a catalyst and heat. The gas that is obtained enters directly into the fuel cell to the anode, which uses a small amount of platinum as a catalyst to divide the hydrogen into protons and electrons. The latter form an electrical current which flows to an external circuit. This electrical current is necessary for the operation of the power plant and the onboard equipment. The protons, in turn, are conducted through a hydrogen proton exchange membrane in the fuel cell to a catalytic cathode, where they combine with oxygen in the air to produce water. Water is necessary for obtaining hydrogen. Such is the cycle of substances within the bounds of one drone.

Of course, the duration of such a semi-closed cycle is contingent of the supplies of the basic substance--sodium borohydrate. The expended fuel cartridges can either be discarded in flight or brought back and subsequently sent for recharging. In this connection, a special control system, built into the cartridge, automatically regulates the degree of the reaction and the rate of hydrogen production.

Representatives of Protonex said that a distinguishing feature of this fuel-energy system, which is being developed in accordance with the contract that was awarded by the Pentagon, is the fact that all of the components used in this system, including the fuel and the residue, are not toxic and not combustible. Moreover, the system is cost-effective and that is of no small importance.

In an interview with journalists, Steven Gitlin, the press secretary for AeroVironment, emphasized: "We see a great potential for our Puma AE UAV, which is equipped with a system of hydrogen fuel cells. Such a drone can be used quite effectively for perimeter monitoring (guarding) or for flying ahead of a ground convoy for an extended period of time."

Moreover, it should be emphasized that AeroVironment, which produces the Puma AE drones, is making modifications not only for subunits of the U. S. Army, border services, and the U. S. Air Force, but also for special operations. It is also making modifications for the U. S. Navy and the U.

S. Coast Guard.

This drone is like an "omnivore". That is reflected in the very name of the UAV. AE stands for All- Environment, which means that it can be used in all conditions. In particular, a modification of the Puma has been designed for the Navy and the Coast Guard. It is waterproof and, consequently, it can carry out a safe landing on a water surface. These UAVs are operated with a hand-held control panel, measuring 15.24 centimeters by 25.40 centimeters, with a screen that measures 10.16 centimeters by 15.24 centimeters (Note: The screen displays video transmissions from the UAV and has five knobs for directing the UAV and its onboard electro-optical and infrared cameras.).

Representatives of the U. S. Department of Defense said that it is planned to complete the first stage of the program, which is aimed at the development of a UAV, with an increased flight duration and with a prospective power plant based on hydrogen fuel cells, in 2010-2011. With positive results of tests, it is planned to accept such UAVs into the arsenals of the various branches and combat arms of the Armed Forces of the United States in the shortest time possible.

The military of other countries are also showing interest in these prospective developments. It seems that such drones would also be very useful for the Russian militarized structures. But the trouble is that, unfortunately, we shamelessly lag behind the West in the sphere of the development of such fuel cells and air-independent power plants.

(Description of Source: Moscow Voenno-Promyshlennyy Kuryer Online in Russian -- Website of the weekly newspaper focusing on military and defense industrial complex issues published by Almaz Media, a subsidiary of the defense industrial firm Almaz-Antey -- URL: <http://vpk-news.ru/>)

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AFG/AFGHANISTAN/SOUTH ASIA

US Geologists Discover Huge Mineral Deposits In Afghanistan - ITAR-TASS

Monday June 14, 2010 16:00:35 GMT
(intervention)

NEW YORK, June 14 (Itar-Tass) -- U.S. geologists and Defence Ministry specialists have discovered huge mineral deposits in Afghanistan, the

value of which is estimated at almost one trillion U.S. dollars, the New York Times said on Monday. The newspaper says this will be enough to "enough to fundamentally alter the Afghan economy and perhaps the Afghan war itself". "The previously unknown deposits - including huge veins of iron, copper, cobalt, gold and critical industrial metals like lithium - are so big and include so many minerals that are essential to modern industry that Afghanistan could eventually be transformed into one of the most important mining centres in the world," the newspaper said. It quoted an internal Pentagon memo as saying that "Afghanistan could become the 'Saudi Arabia of lithium,' a key raw material in the manufacture of batteries for laptops and BlackBerrys." The value of the newly discovered mineral deposits "dwarfs the size of Afghanistan's existing war-bedraggled economy, which is based largely on opium production and narcotics trafficking as well as aid from the United States and other industrialised countries", while Afghanistan's gross domestic product is only about 12 billion U.S. dollar, the New York Times writes. Specialists compare the initially estimated wealth of the newly discovered deposits with that of Bolivia, which has the biggest lithium deposits in the world. The other discovered minerals include niobium, which is used in the production of superconducting steel, as well as some other rare-Earth materials. "While it could take many years to develop a mining industry, the potential is so great that officials and executives in the industry believe it could attract heavy investment even before mines are profitable, providing the possibility of jobs that could distract from generations of war," the newspaper says. It quoted General David H. Petraeus, Commander of the United States Central Command, as saying that "there is stunning potential here. There are a lot of ifs, of course, but I think potentially it is hugely significant." "This will become the backbone of the Afghan economy," Jalil Jumriany, an adviser to the Afghan minister of mines, said. Americans started geological prospecting in Afghanistan in 2006, using the "old charts" made by Russian specialists. (Description of Source: Moscow ITAR-TASS in English -- Main government information agency)

Russian website says economic interests may prevail in metal-rich Afghanistan

Text of report by Russian Gazeta.ru news website, often critical of the government, on 22 June

[Article by Omar Nessar, 22 Jun; place not given: "**Weighed down by underground treasures**"; accessed via Gazeta.ru]

After the news about the incredible mineral deposits in Afghanistan, the United States and NATO countries can reassure their citizens with the fact that the "Afghan mission" will allow them to "mix business with pleasure." They are keeping troops in this country not only to fight terrorism but also to protect their economic interests.

In literally an instant, unstable, war-and poverty-torn Afghanistan went from being a "bankrupt state" to a potential supplier of strategic mineral resources to the international market.

Actually, both the Afghans themselves and the world community still have to get used to this new dimension of Afghanistan.

We recall how Western media reported, citing official Pentagon documents, that American researchers had discovered in Afghanistan huge deposits of iron, copper, cobalt, gold, niobium, and lithium.

In the opinion of several observers, the huge mineral deposits located could transform Afghanistan into the "Saudi Arabia of lithium."

Even before, experts called Afghanistan a country rich in natural resources. American specialists began talking about this for the first time back in 2002. However, today's optimistic forecasts regarding Afghanistan's transformation into a powerful resources player on the world market for iron, lithium, and copper comes as a surprise for many.

The sensation broke after the dissemination of the results of a joint study by American geologists and the military.

Exploration for mineral reserves in Afghanistan was conducted using maps compiled by Soviet specialists, so that there is every reason to talk about a "Soviet trail" in the geological discoveries of 2010.

Back in the 1960s, Soviet geologists began a wide-scale study of Afghanistan that lasted until the mid-1980s. In other words, by 1979 Soviet leaders had a pretty clear idea of Afghanistan's raw materials potential.

After the collapse of the socialist project in Afghanistan, nothing came of the country's resource potential. People simply forgot about it in the eddy of civil war and Taleban dictatorship in the 1990s. The Soviet specialists' maps, which had been moved to safe territory to the north of Kabul, were discovered in 2006. Since then, they have had a second life. Relying on Soviet data from the 1960s and 1970s, American specialists began a multi-year study of Afghan deposits with the help of Defence Department forces and the Orion P-3 reconnaissance airplane. The results of this research created a world sensation.

American specialists estimated the total value of the mineral deposits forecast in Afghanistan at \$1 trillion. However, in the opinion of Wahuidullah Shahrani, Afghanistan's minister of mines and mining industry, the mineral reserves in the country are estimated at \$3 trillion.

Wahuidullah Shahrani called the American specialists' estimates

understated.

Despite the difference of trillions of dollars, the reports about Afghan mineral deposits have been actively discussed for several days by the world press and expert community. The nature of this discussion allows us to talk about how the scandalous joint report by American military and geologists was intended for the West's broad public, especially the United States, from the very beginning.

The reaction of Afghan and Western politicians to the geological sensation was mixed but positive overall. And this is understandable. The news that a country whose budget today depends almost entirely on foreign assistance could cease to be not only a "world sponger" but also become one of the main suppliers of strategic materials for the international market is truly a miracle.

The appearance in the international news message field about Afghanistan's geological potential is quite curious given the absence of visible successes by the United States and NATO in the war with the Taleban. Meanwhile, the security situation in Afghanistan is not improving. The expectations that Western and Afghan public opinion pinned on the peace jirga held in early June have not been vindicated.

Afghan Interior Minister Munir Mangal recently stated that only 11 of the country's 364 districts have not had terror threats. Moreover, the Afghan military and NATO representatives predict a rise in violence in the country's south and east.

Participants in the international "Afghan mission" are losing hope of success in their fight against the Taleban. Antiwar moods are mounting in Western countries. A few days ago Poland, one of the United States' reliable allies in the "Afghan project," stated its intention to withdraw troops from Afghanistan. And although some experts considered this statement a campaign move by candidates for the Polish presidency, it was taken quite seriously by its NATO allies. Before this, Canada, the Netherlands, and several other participants in the "Afghan mission" expressed their readiness to withdraw troops from Afghanistan.

Actually, how can we talk about Washington's allies in the North Atlantic alliance if in 2009 President Barack Obama promised his voters to start withdrawing American troops from Afghanistan in mid-2011? Right now the US president is under the pressure of criticism from American military who feel that Obama needs to renege on his promise.

Apart from the unpopularity of the Afghan war in the eyes of public opinion, one other problem for Western leaders is the huge cost of the "Afghan project" connected with waging war against the Taleban and rendering humanitarian assistance to official Kabul.

The world economic crisis made the Afghan war too expensive an enterprise even for the rich countries of the European Union.

In the near future, another international conference is supposed to be held in London, and the main topic will be rendering economic assistance to Afghanistan. Have no doubt, this discussion will be a serious test of Atlantic solidarity with respect to meeting obligations for the "Afghan tax."

Therefore, the news of many billions' worth of mineral deposits in the depths of Afghanistan could not have come at a better time. Its replication not only helps ease Western leaders' task of explaining to their citizens the logic of "Afghan investments" but also gives new meaning to the Western mission in Afghanistan. Now we can talk about how the "Afghan mission" allows us to "mix business with pleasure." The United States and NATO are keeping their troops in Afghanistan not only to fight terrorism but also to protect their economic interests.

The rise of a "geological dimension" to the Afghan problem may be met with interest by Russia and Afghanistan's neighbours - Iran, China, and the Central Asian countries - which are extremely concerned not only about the spread of terrorism but also by Afghan drug trafficking. By the way, recently people were speaking in Moscow, at the International Antinarcotics Forum, about measures for improving Afghanistan's economic situation as one of the ways to fight the drug threat. The new estimate of the Afghan raw materials potential creates favourable opportunities to implement large-scale economic projects in the country. It is obvious that the income from the mining, processing, and export of natural resources could easily compensate the Afghans for financial losses from the drug trade, thereby facilitating the "denarcoticization" of Afghanistan's economy.

Today, the country's new resource possibilities are advantageous for official Kabul as well. The escalation of instability going on in the context of prospects for a possible withdrawal of foreign troops is forcing the Afghan leadership to search for new methods of influencing the situation while retaining interest in their country among Western politicians. And the prospects for transforming Afghanistan into a "world lithium empire" are good reason for the United States and the European Union to hang in there indefinitely. To the satisfaction of President Hamid Karzai, who is being forced to look for support among neighbouring countries due to his gradual loss of hope for his Western allies, who in 10 years have not been able to change the situation in the security sphere or defeat the Taleban. Incidentally, this newly revealed geopolitical reorientation of the Afghan leader is already giving rise to perplexity in Washington and the capitals of other Western ! states.

Actually, so far Hamid Karzai has not shown a desire to actively play

his "lithium trump." Unlike his Minister Wahuidullah Shahrani, who called on foreign countries to invest funds to develop and produce minerals in Afghanistan, Hamid Karzai's reaction to the geological sensation was unexpectedly restrained. Actually, this is understandable. The news blast about Afghanistan's new raw materials prospects immediately made relevant the half-forgotten problem of fighting corruption in Kabul.

Some American experts and politicians have already expressed public doubt as to the Afghan president's ability to deal effectively with the lithium, iron ore, and copper treasures due to the wide-scale corruption in the Afghan government. But to the Afghan president, these kinds of doubts are completely beside the point today.

The author is the director of the Centre for the Study of Modern Afghanistan (TsISA).

Source: Gazeta.ru website, Moscow, in Russian 22 Jun 10

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BBC Monitoring Alert - AFGHANISTAN

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BBC Monitoring Alert - AFGHANISTAN

Afghan ministry says US survey undervalued mineral resources

Text of report by Afghan independent Tolo TV on 15 June

[Presenter] The Ministry of Mines says Afghan minerals are worth more than was announced by the Pentagon. The ministry asked the international community to help them with extraction and security at the mines. The Pentagon has announced that there are challenges in extracting and benefiting from the mines.

[Correspondent] **While a joint study by the Pentagon and the US geological Survey has estimated the value of minerals in Afghanistan**

especially iron, gold, copper, lithium and beryllium, at one trillion dollars, the Afghan Ministry of Mines says Afghan mines are worth several times more than the figures published in the report. The ministry says they will give more details about the report later this week.

[Jawad Omer, Ministry of Mines spokesman, captioned] We need security, modern equipment, proper advice and training for Afghan specialists.

[Correspondent] The Afghan Ministry of Finance says investment on study and extraction of Afghanistan's mines will be the Afghan government's main demands at the Kabul International Conference.

[Aziz Shams, Ministry of Finance spokesman, captioned] Some 35 per cent of Afghanistan's ordinary budget is covered by foreign donations. If we can extract these mines, we will have vast domestic income. It is estimated that we will be able to cover our ordinary budget for several years.

[Correspondent] Some geologists say investment on study and extraction of mines in Afghanistan is important for improving the financial situation and stability in Afghanistan.

[Sayed Bahador Akabar, Afghan geology university teacher, captioned] Unemployment is the main reason behind growing insurgency in Afghanistan. One of the ways we can create jobs is to extract our mines.

[Correspondent] The Afghan government says the exploration of Afghanistan's minerals has been carried out by US geological Survey in conjunction with the Afghan government. According to the report by Pentagon, a long time is required to extract Afghanistan's mines and that most of the mines are located in areas under Taleban control. Afghan government officials say Afghanistan's mineral resources are so vast that they will soon attract international investors' attention. The report says the mineral deposits are scattered throughout Afghanistan. According to the study, most of the minerals are located in the southern, eastern areas of Afghanistan and along the border with Pakistan but there are still question about the manner of extracting these mines and investing in mining industry. Continuing insecurity in Afghanistan, lack of good governance, lack of capacity and illegal extraction of minerals are considered obstacles to extraction at

Afghanistan's mines.</! p>

[Video shows Afghan ministerial spokesmen and university teacher speaking; archive footage of minerals and vehicles.]

Source: Tolo TV, Kabul, in Dari 1330 gmt 15 Jun 10

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Afghanistan: The Significance of Mineral Wealth

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Afghanistan: The Significance of Mineral Wealth

Afghanistan: The Significance of Mineral Wealth

June 14, 2010 | 2110 GMT

Afghanistan: The Significance of Mineral Wealth

U.S. Geological Survey

Workers taking part in a 2006 U.S. Geological Survey mission in Afghanistan

Summary

In a June 13 story, The New York Times revived interest in Afghanistan's potential mineral wealth, which has long been suspected. The country's mountainous terrain indicates the likelihood of such deposits, and in 2007 the U.S. Geological Survey published a study reporting much of what is being said in the media today. But the challenges of extracting the minerals and bringing them to market in an economical and competitive way remain extraordinarily daunting.

Analysis

The potential for mineral extraction in Afghanistan has generated immense press in the last few days, following a June 13 New York Times story on an estimated \$1 trillion in mineral deposits believed to exist

in the country and a June 12 statement by U.S. Central Command chief Gen. David Petraeus characterizing Afghanistan (with caveats, of course) as having "stunning potential" economically.

Yet much of what is being discussed dates back to two studies done in 2006-07 by the U.S. Geological Survey in conjunction with the U.S. Agency for International Development and Afghan geologists. The results of these studies were published in 2007 by the U.S. government, and their findings have now reportedly been verified by a small, Pentagon-led team, which will release its report at a conference in Kabul scheduled for July 20, according to a spokesperson for the French Foreign Ministry. There also is increasing talk of lithium deposits in particular, one of the reasons behind the current coverage. Statements regarding Afghanistan's potential mineral wealth have been made in the recent past, with Afghan President Hamid Karzai using the \$1 trillion figure at least as early as February of this year and Petraeus using it when discussing the matter in December 2009.

Afghanistan: The Significance of Mineral Wealth

U.S. Geological Survey

A map from the 2006 U.S. Geological Survey mission in Afghanistan, including GPS and magnetic base station locations
([click here to enlarge image](#))

The China Metallurgical Group has already committed \$3 billion up front and \$400 million thereafter to secure the rights to the Aynak copper mining district in Logar province. Verification drillings were done last year, and a temporary camp is now being prepared, though a massive railway, power plant and smelting facility remain to be built. The Hajigak iron-ore deposit also was examined in an area about 100 kilometers west of Kabul, in Bamyan province, but the Chinese pulled out of the bidding, which was later canceled following a corruption scandal involving the Chinese company and the Afghan Ministry of Mines during the Aynak bidding process. The Chinese experience shows that what little progress is being made in terms of foreign investment in Afghan mining projects is already slowed by problems relating to poor infrastructure, awkward logistics, security threats, and corrupt or opaque negotiations.

The potential presence of large mineral deposits in Afghanistan has never been in doubt - the country's mountainous terrain indicates the likelihood of such deposits. The challenge is extracting the minerals

and bringing them to market in an economical and competitive way, and this challenge remains extraordinarily daunting. Afghanistan is an underdeveloped country with extremely poor infrastructure, including no rail connection to the outside world (though one is under construction to Masar-i-Sharif in the north). Though the nature of a mineral deposit and the economics of its exploitation can vary considerably - even within a single country - pulling ore out of the ground and moving it a great distance is a logistically intensive proposition, even with relatively developed road and rail networks.

Technically, developing sufficient infrastructure in Afghanistan is possible, but the cost of doing so is almost certain to drive the costs of mineral investment, extraction and transportation far above what can be recouped on the global market.

STRATFOR has been focusing and continues to focus on how these reports came about just in the past week. There is clearly a media blitz now under way, and it is important to understand why. Over the next few years there will be little meaningful impact on the ground in Afghanistan in terms of investing in and developing the country's minerals. The key question at this point is how Washington will play this mineral-wealth story to serve its interests in the region, especially as the United States struggles to break a stalemate in southwestern Afghanistan and force the Taliban to the negotiating table. But local mistrust of U.S. intentions may counter any potential benefit of playing up Afghanistan's economic potential.

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Global Economy: The Geopolitics of Car Batteries

August 17, 2009 | 1157 GMT

A cutting model of a Toyota Prius hybrid vehicle's battery module on June 5

TOSHIFUMI KITAMURA/AFP/Getty Images

A cutting model of a Toyota Prius hybrid vehicle's battery module on June 5

Summary

As hybrid vehicles become more popular, vehicle manufacturers will seek more sources of lithium to produce car batteries. Lithium is the most efficient raw material for battery production, but there are only a few lithium deposits in the world - mostly in South America. As demand for the mineral grows, those countries with large lithium deposits, such as Chile, will play a larger role in the global economy.

Analysis

As global concerns about energy security and carbon emissions skyrocket, hybrid vehicles, which combine electric and gasoline power sources, are capturing greater market share and global attention. Incorporating a source of electricity into a car requires a battery - something for which several different raw materials can be used. Lithium is the most efficient raw material used in batteries, but the number of lithium deposits in the world is limited; most are found in South America. As the market for lithium grows, countries with large lithium deposits will become more important to the global economy. Countries with the technology to process lithium and manufacture batteries will also become more significant.

chart - lithium reserves

The current standard material for high-powered rechargeable batteries for hybrid vehicles is nickel metal hydride (NiMH). Australia has the world's largest proven reserves of nickel, but Russia, Canada and Indonesia are the largest producers.

With such wide distribution of

easily accessed nickel deposits, an interruption in the supply or manufacturing of NiMH for batteries is relatively unlikely. NiMH batteries are quite expensive, but presently they are more cost-effective than the lithium-ion batteries being developed to replace them. For now, NiMH batteries will remain the standard (even the new 2010 Toyota Prius relies on NiMH batteries).

However, lithium-ion batteries will become the standard in the near future. Underpinning this shift is the simple fact that NiMH batteries are heavy and their energy per unit of mass is approximately half that of a lithium-ion battery. Though lithium batteries are effective, the industry has yet to develop a way to mass-produce them at the scale the automobile industry requires. As soon as the manufacturing technology becomes available, every car company in the world will be able to use lithium batteries. Carmakers are ready to shift to the lighter lithium batteries because they would boost vehicle performance.

The Making of a Lithium Battery

Lithium can be obtained in small quantities in the form of lithium chloride (LiCl) from just about anywhere in the world, but concentrated deposits - called salares - are found only in a few places. Salares result when pools of salt water, which contain LiCl, accumulate in basins that lack drainage outlets, allowing the water to gradually evaporate and leave dense layers of salt behind. Underneath the dried salt layer is a layer of brine - groundwater with a high concentration of LiCl in solution. It is this brine that is highly prized as a source of lithium.

For a lithium deposit to be commercially viable, it must have a large amount of lithium that is not contaminated with too much magnesium, and it must be in a location where natural evaporation will concentrate the watery solution where LiCl is normally found. Factors that contribute to increased evaporation include low air pressure found at high altitudes, low precipitation, frequent winds, high temperatures and exposure to solar radiation. Thus, commercial lithium deposits are found along

volcanic belts in the earth's desert regions.

The process of harvesting LiCl exploits the same natural process that initially created the salt flat - evaporation. Brine is pumped from beneath the crust into shallow pools on the surface of the salt flat, where it is left to bake in the sun for about a year. During this period, the LiCl becomes more concentrated as the brine is reduced by solar radiation, heat and wind.

To be used in a lithium battery, however, the LiCl must first react with soda ash to precipitate lithium carbonate (Li_2CO_3), which can then be processed into metallic lithium for use in making a battery's cathode. This usually takes place at off-site chemical processing plants, making

it necessary to transport the lithium by tanker - something that becomes economically viable only after the lithium solution is sufficiently concentrated. Thus, the rate at which the water evaporates is quite important for economical harvesting of lithium, and it also influences the size (and therefore the environmental footprint) of the solar ponds required to achieve economic concentrations.

After the lithium is extracted, it must be processed for use in batteries, and only a few producers have the required capital and capacity to manufacture lithium batteries. Currently, most companies that can supply lithium-ion batteries for vehicles are joint ventures between auto manufacturers and technology firms. Of these, seven are based in Japan, two are in the United States, two are in Korea and one is in China. These few producers rely on even fewer suppliers for the components - primarily the anodes, cathodes, separator and electrolytic salt - of lithium-ion batteries. The most specialized step in the process is the production of the electrolytic salt used in lithium-ion batteries. That salt (lithium hexafluorophosphate) is produced only in Japan at two complexes, one in Okayama prefecture and the other in Osaka prefecture.

Lithium's Geopolitical Power

An estimated 70 percent of the world's LiCl deposits are found in South America. Chile is the world's largest producer of LiCl - not only because Chile already has highly developed mining, transport and processing infrastructure, but because its climate and geography are favorable for the evaporation that is central to producing lithium.

The Salar de Atacama is located in the Atacama Desert, which receives almost no rainfall and has high winds, low humidity and relatively high average temperatures. Together, these features make the Salar de Atacama the second-driest place on earth, after Antarctica.

Argentina has the world's third-largest estimated lithium reserves.

Argentina's Salar de Hombre Muerto's average elevation is nearly twice that of Salar de Atacama, but what it gains in altitude it sacrifices in net evaporation. Though its evaporation rate is only about 72 percent of Atacama's, Salar de Hombre Muerto is still commercially successful because costs are low and are further offset by the sale of recoverable byproducts like boric acid.

chart - lithium production

Bolivia produces no lithium, though it is sometimes called "the Saudi

Arabia of lithium" because its still-untapped salares are thought to contain nearly 50 percent of the world's estimated lithium reserves, most of which is found within the brines of the vaunted Salar de Uyuni. Attention to Bolivia's reserves has increased strongly in recent years, with South Korea, Japan and France showing particularly strong interest (China is rumored to be interested as well). However, having a resource does not mean it can be brought to market at a reasonable cost. Uyuni's higher rainfall and cooler climate means that its evaporation rate is not even half that of Atacama's. Achieving the necessary concentrations is further complicated because the lithium in the Uyuni brine is not very concentrated, and the deposits are spread across a vast area. Uyuni also has a high ratio of magnesium to lithium within the brine, which means the magnesium must be removed through an expensive chemical process. This is something Chile has handled with relative ease, but Uyuni's deposits have three times the magnesium concentrations of Atacama's, making investment in Bolivia's deposits much less economical.

chart - major lithium deposits

Bolivia also lacks established infrastructure, and any serious investments in Uyuni would require extensive spending upfront on infrastructure development. Combined with the highly unwelcoming investment climate in Bolivia, there is no guarantee that the country will be able to attract the massive investment necessary to develop its reserves, despite the rise of global interest in lithium. It will be difficult for the Bolivian government to achieve its goal of becoming a center of lithium processing. This is not to say that Bolivia could never be a major lithium producer, but in the short- to medium-term, Chile will continue to dominate global lithium markets.

Growing Market Share, Growing Importance

Because of the high level of specialization currently required in the lithium battery market and the limited number of sources for the materials, the growth and stability of the market depends heavily on a few manufacturers. In part, this is a result of the high levels of capital investment needed to develop and supply the batteries at scale. However, as car manufacturers begin to ramp up production of hybrid vehicles, the demand for lithium batteries will increase. Higher production will likely help reduce the cost of each individual battery, and opportunities for prospective manufacturers will increase. The shift toward lithium-ion batteries will not be immediate, but lithium batteries will become more affordable as car manufacturers seek to increase vehicle performance while reducing gasoline consumption. This means that Japan's technology centers and Chile's lithium mines will become increasingly important to the global economy

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