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THEY SAID IT

Reports that say that something hasn't happened are always interesting to me, because as we know, there are "known knowns"; there are things we know we know. We also know there are "known unknowns"; that is to say we know there are some things we do not know. But there are also "unknown unknowns" – the ones we don't know we don't know.

Secretary of Defense Donald Rumsfeld, Defense Department briefing, February 12, 2002.

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2008: THE GOOD, THE BAD, AND THE UGLY.

It's that time of year, once again, time to offer our forecasts for the upcoming twelve months. And as has become our custom, we want to take a few moments before beginning to explain a little about the limitations inherent in such a project.

Of the two parts of this annual effort, this week's, the foreign policy forecast, is by far the most difficult. The domestic forecast piece, at the very least, has some basic parameters that limit the scope of the discussion. Who will win? How will he or she win? What will he or she do once he or she wins? Et cetera, et cetera, et cetera, to borrow a phrase from King Mongkut of Siam. But the foreign policy forecast piece has no such boundaries. Certainly, there are obvious general topics on which any prediction piece must touch. But beyond those basic markers, the number of possible earth-shaking events is quite literally infinite. There are, in other words, any number of "unknown unknowns" that no one on earth could possibly foretell.

The point of this exercise, though, is not to try to guess wildly at those unknown unknowns, but to discuss in a broader context the issues and conditions that we know will be important (the known unknowns) and how developments might progress and might therefore affect our lives, the financial markets, and the world at large.

So here goes.

Prediction #1: By the end of 2008, Iraq will be more or less stabilized and will be well on its way to becoming what most of us always hoped it would be, a nominally pro-American, nominally democratic, relatively normal nation, for the Middle East at least, with virtually boundless natural resources; a country that will provide a base for American Middle Eastern operations for the near-to-medium-term.

Are we predicting victory in the Iraq War in the next twelve months? Yes. And no. Since no one whose opinion matters has ever bothered to define “victory,” that’s a difficult call to make. But here’s what we expect and how we will identify “victory,” when the time comes to do so.

The “surge” strategy, initiated this time last year, will continue to prove successful in pacifying the al Qaeda/Saddamite insurgency. As things stand today, it is nearly impossible for anyone who has been paying even the slightest bit of attention to deny that conditions on the ground in Iraq have improved dramatically. And right now, there is no reason whatsoever not to believe that they will continue to do so.

The Iraqi people continue to grow tired of the foreign radicals who seek to run their lives and turn their nation into a violent, repressive, Islamist backwater. The Iraqi military and police forces continue to grow stronger, more effective, and better able to handle, on their own, the struggle for their nation’s security. And most important, the brilliant, bold, and dedicated American troops in country continue to get better at fighting a modern, semi-urban counter-insurgency. As countless commentators have noted since the surge’s success became apparent, the key to this about face in Iraq was not necessarily the increased number of troops (though certainly they helped), but the change in strategy and tactics that accompanied the troop increase. The honing of strategy and tactics continues today and will undoubtedly prove invaluable both in maintaining order in Iraq and in continuing the global struggle against Islamism elsewhere.

As the year drags on, there may be some remnant discussion about whether the United States can truly “win” in Iraq. But that will be beside the point, for if nothing else, the enemy there, essentially the foreign-led al Qaeda (or “al Qaeda in Iraq,” to be more precise) and a handful of Saddamite dead-enders, are unquestionably losing. Last month, American forces in Iraq saw the lowest number of monthly casualties since the war began in March 2003. Let us just repeat that: in December 2007, the United States military forces suffered 21 casualties in 31 days, the lowest total in any month since the start of the war. And just this past weekend, the Iraqi government boldly and confidently confirmed what some American sources have been saying for several weeks, namely that the insurgency truly is “in its final throes” to quote Vice President Cheney. To wit:

The Iraqi interior ministry lauded its achievements over the past year on Saturday, saying that 75 percent of Al-Qaeda’s networks in the country had been destroyed in 12 months.

Ministry spokesman Abdul Karim Khalaf also outlined sharp falls in the numbers of assassinations, kidnappings and death squad murders. He told a news conference that increased patrols along the borders with Saudi Arabia and Syria had slowed infiltration by militants and played a key role in Iraq’s improved security situation.

“We have destroyed 75 percent of Al-Qaeda hide-outs, and we broke up major criminal networks that supported Al-Qaeda in Baghdad,” he said. “After eliminating safe houses in Anbar Province, which used to be Al-Qaeda’s base, we moved into areas surrounding Baghdad and into Diyala province. Al-Qaeda headed north and we are pursuing them,” he said.

Khalaf said kidnappings were down 70 percent and that an average of three to five people killed by death squads were being found each day in Baghdad compared with 15 to 20 a day in February.

Personnel with militant or criminal links had been weeded out from Iraqi Security Forces, he said, adding that Sunni-US alliances against Al-Qaeda had also significantly contributed to the drop in violence.

All of this is not, however, to say that there will be no bloodshed in Iraq this year. In fact, there will be a great deal. And if victory is defined as an absolute end to hostilities and the end of American service deaths in Iraq, then there will be no victory in 2008, nor in any year in the foreseeable future. The enemy is losing. And it is desperate. And it will make at least one last attempt to salvage its fledgling caliphate and to embarrass President Bush on his way out the door.

Last week, the military affairs analyst/blogger and Iraq War veteran Austin Bay suggested that the terrorists in Iraq would launch their “Tet Offensive” sometime within the next six months. We tend to agree, both with Bay’s assertion that the enemy will mount a counter-attack and that it will be reminiscent of Tet. Let us explain.

Exactly four decades ago, the North Vietnamese and their Vietcong allies launched the Tet Offensive, which was portrayed in the popular American press as a fearless, even heroic effort on the part of the enemy to take the fight to the American interlopers and to retake their country. Walter Cronkite and a host of other anti-war journalists allowed their own fear and anxiety about Tet’s acute violence to color their portrayal of it and to shape their subsequent narrative. But their narrative was wrong.

As the historian Arthur Herman noted in a recent piece in *Commentary*, Tet was not only an act of desperation, but was a disastrous failure as well.

The decision to launch that offensive was made in Hanoi. It was born of desperation, a mad gamble to seize the northern provinces of South Vietnam with conventional troops while triggering an uprising that would distract the Americans—and, some still hoped, revive the fading hopes of the Communists. The offensive itself began on January 30 and ended a little more than a month later when Marines crushed the last pockets of resistance in the northern city of Hue. It was a spectacular defeat both for the Vietcong, who failed to trigger their popular uprising, and for the North, which lost 20 percent of its forces in the South and suffered 33,000 men killed in action, all for no gain.

Today even the *New York Times* has had to concede that Tet was an overwhelming American victory. But, like many others, it still refuses to acknowledge the implications. Tet not only destroyed the Vietcong as an effective political and military force; together with the siege of Khe Sanh, it also crippled the NVA. Like the Somme or Verdun in World War I, these big battles exacted a price in “a lost generation” of North Vietnamese youth.

None of this mattered, of course, since Tet had effectively terrified its target, namely Cronkite and the rest of the mainstream press. As Herman notes, in the aftermath of Tet, “the executive producer of ABC News told his Saigon bureau: ‘I think the time has come to shift our focus from the battlefield . . . to themes and stories under the general heading, We are on our way out of Vietnam.’” The North Vietnamese knew that they could never defeat the American military on the battlefield and thus decided to take their war to a far more easily routed crowd, the nation’s media and political elites. And it worked.

Today, the “insurgency” in Iraq is in a similar position. It is equally, if not more, desperate. And it too knows what, or who, the Americans’ “weakest link” is.

Sometime this year, then, we expect a last-ditch, desperate counter-attack on the part of the terrorists in Iraq. This counter-attack will be vicious. It will be bloody. Its principal victims will be the innocent Iraqis who have been al Qaeda in Iraq’s victims all along. And most important, it will be done in full view of the cameramen from CNN and the reporters from *The New York Times*, *The Washington Post*, *The New Yorker*, and the rest. The Islamist dead-enders have not yet given up their dream of an American defeat in Iraq. And neither, for that matter, has the mainstream press.

Prediction #2: Iran will continue its work on a nuclear bomb, while President Bush, hamstrung by his own intelligence agencies, will break his vow to do everything in his power to prevent the Mullahs from acquiring nukes.

Now, we know that we’re all supposed to be reassured that Iran is pursuing nuclear power only for peaceful purposes and that it therefore poses no threat to the Middle East or to the greater global community. But we’re just not buying it.

We won’t bore you with a full rundown of the problems associated with the intelligence community’s collective estimation that Iran has stopped its nuclear weapons program, largely because we did that a few weeks ago. But what we will note is that one of two things is going on here. Either the intelligence community, led principally by the CIA, is waging its own war against President Bush, whom many career analysts despise and distrust; or the intelligence community as a whole really believes what it stated in the most recent National Intelligence Estimate (NIE), which is that Iran is not currently at work on nuclear weapons. Whichever is true, we’re anything but reassured.

What else are we to make of the fact that nearly every other agency or commission in the world, most of which are noted principally for their dovishness and

willingness to do anything to avoid or prevent armed conflict, has stated that the conclusions presented in the National Intelligence Estimate are garbage? Seriously, both the International Atomic Energy Agency and the French government, among others, have openly and unabashedly declared their skepticism regarding both Iran’s nuclear program and the most recent American assessment of that program. We’re not sure what it says about someone to be on the dovish side of both a U.N. agency and the French, but we suspect that it’s not good.

To be perfectly honest, we’re not all that big on conspiracy theories, but we actually sort of hope that the folks at the CIA are, in fact, actively trying to undermine the president and to substitute their foreign policy for his. As deeply troubling as such a coup might be, the alternative – that the intelligence agencies really are completely clueless about the matter in question – is even more frightening. Not that it would be surprising, mind you, just frightening.

In any case, while the intelligence agencies and the politicians who support those agencies plod along in their own little dream worlds, the mullahs will continue to pursue their nukes. One of our chief criticisms of the political class that dominates Washington these days is that its denizens have a tendency to see the world exclusively from their own *personal* perspective, believing that their own immediate experiences are all that matters. This, coupled with the American public’s stunted attention span, has led to foreign policy evaluations and policies that are driven exclusively by immediate considerations and current conditions. There is no sense that anything broader or larger scale is included in such calculations.

The mullahs, by contrast, don’t suffer from this malady. They have been pursuing a slow and steady war strategy against the West (and the United States in particular) for three decades now. And they believe that they can and will win, if they are patient enough. They have also been pursuing nuclear weapons for nearly three decades and will continue to do so, regardless of what the NIE says.

Consider, for example, the news out of Argentina last month. In one of the best, though least discussed stories of the year, *Investor's Business Daily* recounted the long-term nature of the Islamic Republic's pursuit of nuclear weapons and the willingness of the regime's terrorist leaders to do whatever is necessary to achieve that end. As you read the following, recall that the Iranian president in question, Ali Akbar Hashemi Rafsanjani, is considered to be a "moderate" by most Western governments and was the "progressive" candidate in the last presidential contest, won by Mahmoud Ahmadinejad:

Take the attacks on Argentina, viewed by many at the time as an isolated, bizarre attempt to kill Jews. It was that, all right — but much, much more. Indeed, the bombings of the early 1990s had what suspense sleuths like to call an "ulterior motive" — to send a message to Argentina that its refusal to help Iran build nuclear weapons would be dealt with severely.

Tehran's Argentine terror bombings began in 1992 with an attack on the Israeli Embassy in Buenos Aires that killed 29. Two years later, its agents bombed the city's AMIA Jewish community center, killing another 85. According to Argentine prosecutor Alberto Nisman, who has stayed with the case while the rest of the world has forgotten it, the attacks were "ordered, planned and financed" by Iran's top leaders — including its ex-president, the "moderate" Hashemi Rafsanjani.

Nisman told the *Jerusalem Post* that the AMIA bombing "had been commissioned at a meeting held in Mashad in August 1993, attended by then-president Rafsanjani, then-intelligence minister Ali Fallahian and other Iranian ministers and military leaders." They gave the job to their

terrorist client, Lebanon-based Hezbollah. The group did the job with its usual murderous efficiency.

Why go to all that trouble halfway around the world to kill Jews? In fact, it wasn't just about killing Jews. To Iran, that was a bonus. The real reason: Iran's mullahs had a deal with Argentina to help it rebuild its nuclear program after the Iran-Iraq war. Argentina, under intense pressures from the U.S., pulled out of the deal. Iran's leaders were furious, and took their rage against the U.S. out on the much-weaker Argentina. That's why some of Iran's top leaders got involved . . .

Iran's [nuclear] program has always been about nuclear weapons, not energy. Just look who's in charge: Iran's nuke program is headed by President Mahmoud Ahmadinejad, the chief of the Revolutionary Guard Corps., the head of the Defense Industries Organization and the leader of Iran's Atomic Energy Organization. Strictly speaking, none of those is a civilian.

President Bush and Vice President Cheney have both repeatedly declared their absolute refusal to allow Iran to obtain nuclear weapons. But it's hard to imagine now what they will do to prevent it. The NIE clearly caught them off guard, and they had no reasonable response to it, meaning that they are now, essentially, bound by its conclusions, foolish and irrelevant though they may be.

For years, we have argued that a smart plan of attack against the Iranian regime would involve special forces and intelligence personnel engaged in a covert war to subvert the mullahs. Perhaps such an operation is underway as we write this. Likely, though, it's not, which is a shame. There is considerable domestic unhappiness with the Islamic Republic. And there is also a great deal of open and confident dissent,

despite the regime's brutality in dealing with "nonconformists." It is likely that unrest will grow as economic and energy conditions continue to worsen, as they almost certainly will.

Truth be told, Iran represents an opportunity for the United States to make a positive change in the Middle East, without having to launch a full-scale military incursion. But that's not going happen this year.

Prediction #3: The main battleground in the broader war on terror will shift from the Middle East to Central Asia.

Given the ongoing pacification of the insurgency in Iraq and the deterioration of conditions in "the other war," the war against the Taliban and al Qaeda in Afghanistan, a shift in focus away from Iraq was likely anyway. The assassination last week of former Pakistani Prime Minister Benazir Bhutto makes such a shift all but certain.

You may recall that the American invasion of Afghanistan six years ago was undertaken specifically to displace the Taliban and to deny al Qaeda and its allies a safe haven from which to plan and train for terrorist operations. Both missions were accomplished quite successfully. Unfortunately, the United States' purported allies have done little to ensure the permanence of that initial success.

In Afghanistan, it is clear that the United States' biggest mistake was trusting its "allies" in NATO to be both willing and able to uphold their commitments and thus to repay some of the five-plus decades of American support. Throughout the Cold War, NATO relied almost exclusively on the military might and steadfastness of the United States to protect the rest of the organization from Soviet aggression. Even after the fall of the Soviet Union, NATO's European partners were unable to carry out their missions in the Balkans without heavy American intervention. Yet today, when the United States needs its allies to reciprocate, very few can or will provide adequate help.

Last month, Secretary of Defense Robert Gates scolded NATO allies for lagging in their efforts to provide promised equipment and trainers for the Afghan effort, openly accusing many of these "allies" of failing to uphold their commitments. All of this, of course, comes in addition to the fact that many NATO units in the Afghan theater are either unwilling or unable to take on combat missions. The five-plus decades of American protection induced, among other things, severe atrophy in most European militaries. As things stand today, most combat missions in Afghanistan (and elsewhere) are carried out by members of the Anglosphere. The United States, Britain, Australia, and Canada are, by and large, the only Western nations still capable of large-scale force projection. And new administrations in both Britain and Australia are both skeptical of military solutions to Afghanistan's problems, which is to say that it is possible that American soldiers may well be forced to pick up even more NATO slack in the New Year.

As for Pakistan, what more can we say about that basket case of a failed state? Clearly, Pervez Musharraf is anything but an ideal ruler for the country. But with Bhutto now dead, it's hard to see how the likely alternative could possibly be any better. Former Prime Minister Nawaz Sharif may represent a "democratic" alternative. But he also represents an achingly corrupt and Islamist-supporting alternative.

Irrespective of the country's nominal ruler, Pakistan's most critical national security bureaucracies – its military, intelligence, and police forces – are anything but reliable and are, in fact, crawling with jihadists and jihadist sympathizers. The expectation that simply changing the country's leadership will somehow transform it into a better, more consistent ally is not just naïve, but dangerously so.

In 2008, we fully expect at least two major developments in the war on terror in Central Asia. First, the successes of Iraq will be imported to the Afghan theater. Part of this will be a surge in troops.

Look for several thousand additional U.S. forces to be deployed to Afghanistan. Also look for some of the counter-insurgency tactics perfected under General David Petraeus in Iraq to be incorporated into the mission in Afghanistan. Iraq and Afghanistan are radically different countries, of course, meaning that the same tactics will not necessarily produce the same results. But the important thing is that the knowledge gained in one war will help to improve the management of the other, thereby strengthening the overall mission.

The second major development we expect this year is the beginning of open military engagement with the Taliban and al Qaeda, wherever they are, *even in Pakistan*. It is becoming increasingly clear that the war against the Taliban and al Qaeda cannot be won on Afghani territory alone. The war in Afghanistan and indeed, the broader war on terror cannot be won unless and until Pakistan is addressed. As the inimitable Mark Steyn put it this past weekend:

One way to look at what's happened over the last five years is simply that Afghanistan and Pakistan have swapped roles. In the Eighties, Washington used Pakistan to subvert Afghanistan. Since the fall of Mullah Omar, the Taliban, a monster incubated by Pakistan, has swarmed back across the border and begun subverting Pakistan. Today, it's the tribal lands that have a 200-yard corridor through the rest of the country, exporting Islamist values through the network of madrassahs to the fierce young men in the cities. Just as the Taliban eventually seized control of Afghanistan, so they believe they'll one day control Pakistan. Stan-wise, the principal difference is that control of the latter will bring them a big bunch of nukes. Meanwhile, life goes on. Just as the tribal lands seem to be swallowing Pakistan, so Pakistan is swallowing much of the world. It exports its manpower

and its customs around the globe, and Pakistani communities in the heart of the west have provided the London School of Economics student who masterminded the beheading of Daniel Pearl, the Torontonians who plotted to do the same to the Canadian Prime Minister, and the Yorkshiremen who pulled off the London Tube bombing. Saudi men pay lip service to Wahhabist ideology but it rouses very few of them from their customary torpor. In Pakistan, Islamism spurs a lot more action.

And this brings us to our final "fearless forecast" . . .

Prediction #4: In 2008, it will become undeniably apparent that the world is once again divided into two camps: the global "bad actors" on one side, and the Anglosphere, led principally by the United States, on the other.

It's awfully nice that the new leaders in such places as Germany and France are notably more pro-American than were their predecessors. And in the case of Nicolas Sarkozy in France, it's equally nice that he takes seriously his responsibility to confront the global menaces amassing in places like Tehran. It's not so nice that, through no fault of his own, there's not much he can do about it.

As noted above, the Cold War era was, essentially, a period of national security welfare for most of the Western world. And like all welfare recipients, the NATO countries were sustained not through any effort of their own, but through the good graces of the government, in this case the United States government. If the wars in the Balkans and Afghanistan have taught us anything, it is that most nations of Europe are simply unable to provide for their own defenses. And they are equally unable to exert anything but the largely unsuccessful "soft power" in pursuit of their global goals. As the year wears on, we're afraid that this will be more and more apparent.

The fact of the matter is that the Islamist menace is not the only menace facing the people of the world. Over the next year, Russia, under the direction of Czar Putin, will continue to flex its muscles, will continue to aid and abet America's enemies, most notably the Iranians, and will continue to do so with impunity. After all, who's going to stop it?

Similarly, over the next year, China will continue to finance some of the world's most heinous regimes, beginning with Sudan, in the pursuit of cheap natural resources. It will also continue to murder its own people, particularly as part of the "clean-up" prior to the '08 Olympic Games. And it will continue to push towards hegemony in the Pacific. And again, it will do so with impunity. What are the Europeans going to do? Boycott the Olympics, ala Jimmy Carter?

Those of us who are occasionally leery of foreign entanglements complain that the United States cannot be the policeman to the world. But what choice is there?

Though candidates from both parties will spend much of this year yammering about the need for greater humility, greater diplomacy, and less American foreign involvement, particularly in the form of free trade, reality will dictate otherwise. If anything, over the course of 2008, the United States will be even more active globally. And that will, almost certainly, be to the world's benefit.

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