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## Lift Lebanon blockade, Annan tells Israel

- Lebanese suffering 'humiliation'
- Israeli PM sidesteps question
- Annan pledge on captured Israeli troops

Staff and agencies  
Wednesday August 30, 2006  
Guardian Unlimited



**Ehud Olmert and Kofi Annan.** Photograph: Amos Ben Gershon/Getty

Israel must lift its air and sea blockade of Lebanon, which the Lebanese people see as a "humiliation and infringement of their sovereignty", Kofi Annan warned today.

The UN secretary general renewed his call for the removal of the blockade at a news conference in Jerusalem with the Israeli prime minister, Ehud Olmert. Mr Olmert made no commitments on the blockade.

Mr Annan, who was in Israel after a trip to Lebanon earlier this week, was seeking to strengthen the two-week-old ceasefire, which ended 34 days of fighting between Israel and Hizbullah fighters. He said lifting the blockade was a key step towards helping Lebanon's economy recover.

Israel has refused to lift the blockade, saying UN troops must first deploy along the Lebanese border with Syria to prevent Hizbullah rearming.

Lebanon has said it will deploy its own forces there, but not international troops. Mr Annan has backed that approach.

Today he said Beirut was responsible for controlling Lebanon's borders but added that Lebanese officials had assured him they were taking measures to stop the flow of weapons.

Mr Annan said he believed Israel's security concerns could be addressed. "In the meantime, I do believe the blockade should be lifted."

Mr Olmert did not respond specifically to Mr Annan's demand, saying only that the ceasefire deal must be implemented in its entirety. "The international community must not divert its attention" until that happened, he said.

Mr Olmert, who has been facing increasing pressure domestically over his handling of the conflict, said he hoped the ceasefire would provide an opening for contact between Israel and Lebanon.

"I hope the conditions will change rapidly to allow direct contact between the government of Israel and the government of Lebanon to hopefully reach agreement between the two

countries."

The ceasefire deal could be "a cornerstone to build a new reality between Israel and Lebanon", Mr Olmert said.

Mr Annan said he hoped soon to double to 5,000 the number of UN troops in southern Lebanon. "We should all work together to ensure that this time the fragile peace that we are solidifying in Lebanon is for good, and that we are not going to see another escalation."

Mr Annan spoke earlier with the Israeli defence minister, Amir Peretz, who said Israel would pull out thousands of troops that remained in southern Lebanon once a "reasonable" number of UN soldiers had been deployed. He did not specify a figure. UN security council resolution 1701 calls for deployment of 15,000 peacekeepers by November 4.

Mr Annan said he would do everything he could to bring about the release of three captured Israeli soldiers. Hizbullah captured two soldiers on July 12 on the Israel-Lebanon border in an incident that Israel said triggered its huge military response. Palestinian militants linked with Hamas seized a third Israeli soldier in late June.

Mr Annan said he had met Hizbullah officials in Lebanon, and had the impression the soldiers were still alive.

On a visit to the devastated south of Lebanon yesterday, Mr Annan said the fates of the abducted soldiers, as well as that of Lebanese prisoners held in Israel, were "serious irritants" to the truce.

Mr Annan's next destination is the West Bank, where he will meet the Palestinian president, Mahmoud Abbas. UN aides have said he will also travel to Syria and Iran, Hizbullah's main backers, later in the week.

## Worried MPs plot to force Blair exit date

Backbenchers in marginals swelling numbers wanting clear departure plan

Patrick Wintour, political editor  
Wednesday August 30, 2006  
The Guardian



**Tony Blair at a ceremony in Trafalgar Square.**

Photograph: John D McHugh/Getty

Fears of Labour election losses in marginal seats, especially in the south-east of England, are prompting renewed discussion among the party's MPs about whether they should collectively and publicly demand that Tony Blair use his party conference speech to set out a clear timetable for when he will stand down.

Blairites argue that a letter calling for a timetable from the prime minister would be misjudged, since it would be seen as divisive within the party and would only have a political impact if a large number of MPs signed up to it. But supporters of such a move argue that they could assemble big numbers

going well beyond the ranks of serial rebel MPs. They could include previously loyal MPs such as Martin Linton, Mike Gapes, Kitty Ussher and Jim Dowd, who have recently criticised the prime minister, especially over the impact of his foreign policy.

An alternative option of tabling an emergency motion at the party conference in September is likely to be rejected since it would require the support of the unions to be carried. The motion would have called for Labour's national executive to take over preparations of a timetable for a leadership election.

But it is widely accepted by opponents of Mr Blair that Gordon Brown would be seriously damaged politically if he was seen to take over the leadership as a result of a drive led by the union bloc vote.

Mr Brown and his allies are not involved in the latest round of plotting, and yesterday his leading ally, the Treasury minister Ed Balls, again called on the party to avoid factionalism, and reminded it of the dangers of a bloody transfer of power like the one that marked the end of Thatcherism.

Some Labour MPs had considered signing a letter calling on Mr Blair to stand down in May after the local elections, but the organisers held back after they believed the prime minister had given a clear indication at a meeting of the parliamentary party that he would stand down within a year.

In the past few days a series of Blairite cabinet ministers, as well as his official spokeswoman, have insisted that he has a full agenda, including cutting hospital waiting times, social exclusion, the Middle East, and the impact of globalisation on security.

This has prompted some MPs to argue that they need to raise the political pressure, probably through the form of a letter demanding that a timetable for Mr Blair's departure is clear by the end of his party conference speech.

They point to growing signs that formerly loyal MPs, notably in London and the south-east, are voicing fears that Mr Blair needs to go quickly if the party is to see off the growing challenge posed by David Cameron. A Guardian/ICM poll last week showed Labour at a 19-year low and the Tories with a nine-point lead, their strongest position for 14 years.

Before leaving for his holidays, Mr Blair told allies that he wanted to clarify his intentions well before the party conference, with a Downing Street press conference mooted as the most likely forum. Mr Blair wants to lead a debate on the future of New Labour and the challenges of the next 10 years ahead of the party conference.

His political allies argue that this may be impossible without the party and the media having a clearer view of the date when he will stand down.

The prime minister is planning three big speeches over the next fortnight, including one to the TUC on September 12.

Mr Blair's so-called political outriders, the former cabinet ministers Stephen Byers and Alan Milburn, are also expected to make policy-rich speeches in the next fortnight designed to influence the Treasury's comprehensive spending review.

They argue that more than 10 years after Labour revised Clause 4, the party needs a new "Clause 4 moment", in which it decides whether the post-Blair agenda will be New Labour.

## First Arab Nobel laureate dies, aged 94

Associated Press  
Wednesday August 30, 2006  
Guardian Unlimited



**The Egyptian novelist and Nobel laureate Naguib Mahfouz. Photograph: EPA**

Naguib Mahfouz, who became the first Arab writer to win the Nobel Prize for Literature, died at his home today. He was 94.

Mahfouz, whose novels depicted Egyptian life in his beloved corner of ancient Cairo, was admitted to the hospital just over a month ago after falling in his home and injuring his head. He died this morning after a sharp decline, according to Dr Hossam Mowafi, the head of a medical team that had been supervising his treatment.

Long established as one of the Middle East's finest and best-loved writers, and an ardent advocate of moderation and religious tolerance, Mahfouz's acceptance of the Nobel Prize in 1988 brought him to international notice. But a wider readership came at a

price: in 1994, an attacker inspired by a militant cleric's ruling that one of Mahfouz's novels was blasphemous stabbed the then-82-year-old writer as he left his Cairo home. The attack damaged the nerves leading to his right arm, effectively putting an end to his former practice of writing for hours in longhand.

Nevertheless, Mahfouz maintained a busy schedule well into his 90s. In his final years, he met with friends at Cairo's literary watering holes almost every evening while continuing to work during the day, dictating short stories, sometimes only a few paragraphs long, to a friend who would also read him the newspapers. His final major work, published in 2005, was a collection of stories about the afterlife, *The Seventh Heaven*. Speaking to the Associated Press at his 94th birthday celebration last December, Mahfouz explained that he wrote book "because I want to believe something good will happen to me after death."

Over the course of 50 novels, five plays and a score of short stories and essays, Mahfouz depicted life in Egypt, balanced between tradition and the modern world, with startling realism. The action of his novels was often confined to the 1,000-year-old Islamic quarter of Cairo where Mahfouz was born, a crowded neighbourhood of alleys and mosques which was the setting for his 1950s masterpiece, the *Cairo Trilogy*, which deals over the course of three books (*Palace Walk*, *Palace of Desire* and *Sugar Street*) with the fluctuating fortunes of a Muslim merchant family not unlike Mahfouz's own.

It was his 1959 novel, *Children of Gebelawi*, that mired him in the controversy that was to dog him for the rest of his life. An allegory of the lives of Islam's prophets, it was first serialized in Egyptian newspapers in 1959, when it caused an uproar similar to that created by Nikos Kazantzakis's *The Last Temptation*

of Christ, which appeared a year later. Egyptian religious authorities banned it from being published as a book, but it was later released in Lebanon and subsequently translated into English.

The controversy resurfaced years later when Iran's Ayatollah Khomeini issued a fatwa against Salman Rushdie following the publication of *The Satanic Verses* in 1989. In a copycat move in the same year, the Egyptian radical sheik Omar Abdel-Rahman said Mahfouz deserved to die for Children of Gebelawi, a pronouncement that led directly to his stabbing five years later.

In the final decades of his life, Mahfouz became a fixture on the Cairo literary scene, and was most frequently to be found in the company of friends and colleagues at Nile-side cafes. His last novel, 1988's semi-autobiographical *Qushtumar*, centres on the lives of four elderly friends who meet weekly at a cafe that gives the book its title. Raymond Stock, Mahfouz's American biographer and translator, named Mahfouz's as "a great son of Egypt, a patriot in the fullest sense of the word." But his relevance extends far beyond the boundaries of his native country. His work, according to Fatma Moussa, a renowned Egyptian critic and writer, "has to do with the plight of humanity as a whole. He has presented it from the local angle, but it's not really local at all. It's kind of a microcosm of the whole world, a little image of the fate of man."

## Iraqi faces control order after court clears him of terror video charge

● Talk of killings was joke, friends tells court

● Government had tried to deport asylum seeker

**Sandra Laville**  
Wednesday August 30, 2006  
The Guardian

An Iraqi asylum seeker who was cleared yesterday of making a video identifying potential terrorist targets in London faces being issued with a government control order, the Guardian has learned.

Rauf Abdullah Mohammad, 26, sunk his head into his hands as he was found not guilty at Woolwich crown court of four terrorism charges related to making the tape. The crown had alleged the video was a film of "high-profile targets" made to help Islamist terrorists plot and commit an attack on the capital.

But the jury, with their not guilty verdicts, appeared to accept Mr Mohammad's case that the hour-long film was a souvenir of his time in London.

It emerged during the trial that the Home Office had attempted to deport Mr Mohammad, who first applied for asylum in the UK in 2000 after fleeing Saddam Hussein's regime. The government sought his deportation, claiming he had returned to Iraq following Saddam's fall to support the insurgency in his homeland. When he later came back to the UK, it claimed he was meeting like-minded insurgents in Britain, all allegations denied by Mr Mohammad. With his acquittal yesterday, the Home Office cannot order his deportation on the basis of a criminal conviction, but it appears the government may continue to maintain a close watch over

Mr Mohammad. Sources told the Guardian that contingency plans were in place and an assessment would be made to see if a control order was necessary following his acquittal.

The use of control orders, which were introduced in 2005 under the Prevention of Terrorism Act, has proved hugely controversial. The orders, involving curfews which can amount to virtual house arrest, can last indefinitely and the subject does not have to be accused of any specific crime or be told why he or she is under suspicion. Last week, in a victory for the government, the special immigration appeals tribunal ruled the Home Office could deport an Algerian known as Y, who had been subject to a control order. The man will be deported despite having been cleared by a jury last year over his alleged part in the so-called "ricin plot".

The case against Mr Mohammad centred on the interpretation of the video. It began with footage of a busker playing in a subway near Marble Arch and went on to take in tourist sites including Hyde Park, Big Ben, Parliament Square, the London Eye, Edgware Road tube station and the Hilton hotel in Park Lane. At Speakers' Corner, Mr Mohammad was shown on the film heading for his car, while his friend Maz Ibrahim, 25, got into the passenger seat.

In the background of the video religious chants are heard along with the rattle of machinegun fire and the sound of a missile exploding. Mr Mohammad is heard discussing his hopes of killing Tony Blair, George Bush and Silvio Berlusconi, and as Islamist chants continue in the background, his companion says: "Rauf is planning a bombing operation."

The footage also contained a speech by Osama bin Laden and shots which zoomed in on Paddington Green high-security police station in west London. Mr Ibrahim told the jury that the film was made in September 2003 and was no more than a tourist souvenir for relatives overseas. He said the chat about terrorism was an example of the men's sense of humour. Asked about his comments, he said: "I was teasing him [Rauf]. I used to always like to tease him, calling him a terrorist. I used to make jokes like that. It's just a bit of a stereotype that people have against certain individuals."

A year after the video was shot, Mr Mohammad returned to Iraq to get married, he said. He later returned to the UK and at some point was under MI5 surveillance. By that time he had become involved with the fundamentalist movement Tablighi Jamaat, according to evidence before the court. He met members of the movement, who travel the country proselytising, after seeking help at a mosque in London, where he was homeless. Followers of the group supported him and provided him with food and shelter. Eventually he accompanied them on a trip to Scotland and Dewsbury, the group's UK headquarters in West Yorkshire, as part of his training to be a member of the movement.

Shabber Dagi, a spokesman for Tablighi Jamaat in Dewsbury, said he had no knowledge of Mr Mohammad but said he may well have met members in London.

Lawyers for Mr Mohammad said his trial was nothing but a political showcase. Lawrence McNulty, defending, said the case had been brought to justify the government's foreign policy.

## US accused of bid to oust Chávez with secret funds

● Millions of dollars given to opposition, claim critics

● Venezuelan groups' details hidden from list

**Duncan Campbell**  
Wednesday August 30, 2006  
The Guardian



**The Venezuelan president, Hugo Chávez.** Photograph: Tengku Bahar/AFP/Getty

The US government has been accused of trying to undermine the Chávez government in Venezuela by funding anonymous groups via its main international aid agency.

Millions of dollars have been provided in a "pro-democracy programme" that Chávez supporters claim is a covert attempt to bankroll an opposition to defeat the government.

The money is being provided by the US Agency for International Development (USAID) through its Office of Transition Initiatives. The row follows the recent announcement that the US had made \$80m (£42m) available for groups seeking to bring about change in Cuba, whose leader, Fidel Castro, is a close ally of Mr Chávez.

Information about the grants has been obtained following a Freedom of Information request by the Associated Press. USAID released copies of 132 contracts but obscured the names and other identifying details of nearly half the organisations.

The Office of Transition Initiatives, which also works in such "priority countries" as Iraq, Afghanistan, Bolivia and Haiti, has overseen more than \$26m in grants to groups in Venezuela since 2002.

Among the grants detailed in the information are: one for \$47,459 for a "democratic leadership campaign"; \$37,614 for citizen meetings to discuss a "shared vision" for society; and

one of \$56,124 to analyse Venezuela's new constitution.

"What this indicates is that there is a great deal of money, a great deal of concern to oust or neutralise Chávez," said Larry Birns, director of the Council on Hemispheric Affairs (Coha) in Washington yesterday. "The US is waging diplomatic warfare against Venezuela."

He said that while the US had accused Mr Chávez of destabilising Latin American countries, the term "destabilisation" more aptly applied to what the US was trying to do to Mr Chávez.

"It's trying to implement regime change," Eva Golinger, a Venezuelan-American lawyer who wrote *The Chávez Code: Cracking US Intervention in Venezuela*, told AP. "There's no doubt about it. I think the US government tries to mask it by saying it's a noble mission."

She added: "It's too suspicious to have such a high level of secrecy."

President Chávez has also accused groups of taking American money and predicted that the US will seek to use its influence in Venezuela's December polls.

USAID officials denied any suggestion the money had any political aim and said the reason for anonymity for some groups was to protect them from potential harassment.

"The goal of the programme is to strengthen democracy, which is consistent with President Bush's 'Freedom Agenda'," said a USAID official yesterday. "A strong civil society is a critical part of any healthy democracy, just as it is in the United States, England or anywhere else in the world."

The official said that the money was used to pay for "a wide range of seminars, educational programmes and even public service TV commercials aimed at promoting dialogue between pro- and anti-Chávez camps. Other projects include workshops on conflict resolution, efforts to promote human rights, and training for positive citizen involvement in their communities."

USAID also supports programmes such as day-care centres for the poor, improvement for schools, junior sports teams, and children's homes, the official said, adding that the sums being spent in Venezuela were much smaller than those allocated elsewhere this year in Latin America, with USAID budgeting \$3.8m for Venezuela compared with \$84.8m for Bolivia and \$85.1m for Peru.

The row comes just as China has agreed to invest \$5bn in energy projects in Venezuela, including the building of 13 oil rigs and 18 oil tankers. Last week Mr Chávez announced that China was endorsing Venezuela's bid for the rotating Latin America seat on the 15-member security council, a candidacy strongly opposed by the US. The commercial arrangements with Beijing are seen as part of the Chávez government's strategy of establishing new links so as to lessen the country's dependence on US trade.

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As a symbol of the friendly relations established between Mr Chávez and the London mayor, Ken Livingstone, there will be a festival of Latin-American music with a Caracas theme in Trafalgar Square this Friday evening. The two men met earlier this summer when the president was a guest at an event hosted by the mayor.

● Results of AP's Freedom of Information Act request: hosted. ap.org/specials/interactives/\_documents/ven\_dollars.xls [http://hosted.ap.org/specials/interactives/\_documents/ven\_dollars.xls]

## Corus profits hit by steel price drop

**Mark Tran and agencies**  
Wednesday August 30, 2006  
Guardian Unlimited



**Corus steel plant in Llanwern, south Wales.**  
Photograph: PA

Corus today reported a 37% drop in first-half profits as lower prices and higher energy and raw material costs took their toll on the steel giant.

For the six months to July 1, Corus made an operating profit of £305m, compared to £485m a year ago. The plunge in profits followed a drop in steel prices to an average of 8% lower than a year ago.

The Anglo-Dutch company said it expected demand for steel to pick up in the second half of the year, although the benefits of improved selling prices were likely to be offset by further rises in the cost of raw materials.

Corus said it expected combined raw material and energy costs to increase by £400m this year, while its total electricity and natural gas bill would be £140m higher. Maintenance work at a furnace in the Netherlands would have a financial impact as well.

"The market outlook for the second half of the year is encouraging, although the blast furnace relines at IJmuiden and seasonal production shutdowns will mitigate the benefits to our income statement over this period," the chief executive, Philippe Varin, said.

The work at the furnace is expected to reduce steel-making by 800 kilotonnes in the second half of the year and cost Corus some £40m.

The company is one of the world's largest metal producers, with annual turnover of £9bn and major operations in the UK, the Netherlands, Germany, France, Norway and Belgium.

After years of losses and thousands of job cuts, Corus, which employs 24,000 people in the UK, has prospered under Mr Varin through a combination of cost-cutting measures and high demand for steel from countries such as China.

Under its recovery programme launched in June 2003, Corus was seeking to make savings of £680m a year by the end of 2006. Those figures have since been revised to £635m.

Corus said it was "actively" seeking takeover opportunities but declined to comment on whether it had received any approaches to buy the company.

"We are actively looking at opportunities available to us," Mr

Varin told reporters on a conference call.

Severstal, the Russian steelmaker which intervened unsuccessfully in Mittal Steel's battle to acquire Arcelor this year, has been mentioned as a possible bidder for Corus.

## Tories attack soaring cost of government PR

**Hélène Mulholland and agencies**  
Wednesday August 30, 2006  
Guardian Unlimited

The Tories today accused ministers of wasting public money on the "wages of spin" amid claims that the number of government press officers has trebled and public relations spending has soared by over £200m.

A total of more than 3,200 press officers are now paid from the public purse – a three-fold rise since Labour first came to power in 1997, the Daily Telegraph reports.

Government spending on advertising, marketing and public relations has also almost tripled from £111m in 1997 to £322m last year, though much of the money has been spent on informing the general public about flagship policies, including eligibility to tax credits and extra help for pensioners.

Figures obtained by the Conservatives show there are 1,815 press officers and public relations staff in Whitehall, including three press officers for the deputy prime minister, John Prescott, despite the fact that he lost his department in May.

This compares to just 300 fully fledged press officers in Whitehall nine years ago, the Tories claim.

A further 1,444 are employed by 200 quangos and agencies funded by taxpayers.

The shadow Cabinet Office secretary, Oliver Heald, said he was astounded that the Ministry of Defence employed 229 press officers and PR staff while the Home Office – recently blighted by a series of PR blunders – has 145 public relations staff.

Mr Heald said: "Under Labour, taxes have soared, but rather than improving our public services, the money has been wasted on wages of spin.

"Tony Blair, Gordon Brown and their army of quangocrats have bankrolled a bloated army of spin doctors, politicising the civil service and creating a corrosive culture of spin in Whitehall."

The figures do not include the 77 politically appointed special advisers working for Tony Blair and cabinet ministers.

A Cabinet Office spokeswoman said: "The government has a duty to communicate with the public and to respond to new technology and other means of communication including web, emailing and text messaging.

"The government has built a network of communicators who are equipped with the highest professional standards."

## Disaster capitalism: how to make money out of misery

The privatisation of aid after Katrina offers a glimpse of a terrifying future in which only the wealthy are saved

**Naomi Klein**  
**Wednesday August 30, 2006**  
**The Guardian**

The Red Cross has just announced a new disaster-response partnership with Wal-Mart. When the next hurricane hits, it will be a co-production of Big Aid and Big Box. This, apparently, is the lesson learned from the US government's calamitous response to Hurricane Katrina: businesses do disaster better.

The Red Cross has just announced a new disaster-response partnership with Wal-Mart. When the next hurricane hits, it will be a co-production of Big Aid and Big Box. This, apparently, is the lesson learned from the US government's calamitous response to Hurricane Katrina: businesses do disaster better.

"It's all going to be private enterprise before it's over," Billy Wagner, emergency management chief for the Florida Keys, currently under hurricane watch for tropical storm Ernesto, said in April. "They've got the expertise. They've got the resources." But before this new consensus goes any further, perhaps it's time to take a look at where the privatisation of disaster began, and where it will inevitably lead.

The first step was the government's abdication of its core responsibility to protect the population from disasters. Under the Bush administration, whole sectors of the government, most notably the Department of Homeland Security, have been turned into glorified temp agencies, with essential functions contracted out to private companies. The theory is that entrepreneurs, driven by the profit motive, are always more efficient (please suspend hysterical laughter).

We saw the results in New Orleans one year ago: Washington was frighteningly weak and inept, in part because its emergency management experts had fled to the private sector and its technology and infrastructure had become positively retro. At least by comparison, the private sector looked modern and competent.

But the honeymoon doesn't last long. "Where has all the money gone?" ask desperate people from Baghdad to New Orleans, from Kabul to tsunami-struck Sri Lanka. One place a great deal of it has gone is into major capital expenditure for these private contractors. Largely under the public radar, billions of taxpayer dollars have been spent on the construction of a privatised disaster-response infrastructure: the Shaw Group's new state-of-the-art Baton Rouge headquarters, Bechtel's battalions of earthmoving equipment, Blackwater USA's 6,000-acre campus in North Carolina (complete with paramilitary training camp and 6,000-foot runway).

I call it the Disaster Capitalism Complex. Whatever you might need in a serious crunch, these contractors can provide it: generators, watertanks, cots, port-a-potties, mobile homes, communications systems, helicopters, medicine, men with guns.

This state-within-a-state has been built almost exclusively with money from public contracts, including the training of

its staff (overwhelmingly former civil servants, politicians and soldiers). Yet it is all privately owned; taxpayers have absolutely no control over it or claim to it. So far, that reality hasn't sunk in because while these companies are getting their bills paid by government contracts, the Disaster Capitalism Complex provides its services to the public free of charge.

But here's the catch: the US government is going broke, in no small part thanks to this kind of loony spending. The national debt is \$8 trillion; the federal budget deficit is at least \$260bn. That means that sooner rather than later the contracts are going to dry up. Insiders call it the "homeland security bubble".

When it bursts, firms such as Bechtel, Fluor and Blackwater will lose their primary revenue stream. They will still have all their hi-tech gear giving them the ability to respond to disasters, while the government will have let that precious skill wither away – but now they will rent back the tax-funded infrastructure at whatever price they choose.

Here's a snapshot of what could be in store in the not-too-distant future: helicopter rides off rooftops in flooded cities at \$5,000 a pop (\$7,000 for families, pets included), bottled water and "meals ready to eat" at \$50 a head (steep, but that's supply and demand), and a cot in a shelter with a portable shower (show us your biometric ID, developed on a lucrative homeland security contract, and we'll track you down later with the bill).

The model, of course, is the US healthcare system, in which the wealthy can access best-in-class treatment in spa-like environments while 46 million Americans lack health insurance. As emergency-response, the model is already at work in the global Aids pandemic: private-sector prowess helped produce life-saving drugs (with heavy public subsidies), then set prices so high that the vast majority of the world's infected cannot afford treatment.

If that is the corporate world's track record on slow-motion disasters, why should we expect different values to govern fast-moving disasters such as hurricanes or even terrorist attacks? It's worth remembering that as Israeli bombs pummelled Lebanon not so long ago, the US government initially tried to charge its citizens for the cost of their own evacuations. And, of course, anyone without a western passport in Lebanon had no hope of rescue.

One year ago, New Orleans's working-class and poor citizens were stranded on their rooftops waiting for help that never came, while those who could pay their way escaped to safety. The country's political leaders claim it was all some terrible mistake, a breakdown in communication that is being fixed. Their solution is to go even further down the catastrophic road of "private-sector solutions."

Unless a radical change of course is demanded, New Orleans will prove to be a glimpse of a dystopian future, a future of disaster apartheid in which the wealthy are saved and everyone else is left behind.

● Naomi Klein's book on disaster capitalism will be published in spring 2007.

[www.nologo.org](http://www.nologo.org) [<http://www.nologo.org>]

## Couples losing out in NHS infertility treatment lottery

● Acceptance criteria vary widely in different areas

● Pledge to redress balance has failed, says society

**Sarah Boseley, health editor**  
**Wednesday August 30, 2006**  
**The Guardian**

Couples desperate to have a baby still face a postcode lottery to obtain infertility treatment on the NHS, with help for all in some areas but for only a few in others, experts say today.

The British Fertility Society, which represents professionals working in assisted conception, says little has changed in spite of guidance published two years ago by the National Institute for Clinical Excellence (Nice), the organisation set up to establish a level playing field in healthcare.

Nice recommended couples should be given a minimum of three attempts at IVF (in vitro fertilisation) on the NHS. The then health secretary, John Reid, said that all clinics should immediately offer at least one, with the intention of expanding provision in time. "Our immediate priority must be to ensure a national level of IVF is available wherever people live ... In the longer term, I would expect the NHS to make progress towards full implementation of the guidance," he said.

But the BFS says that there is still a "wide disparity of access" to fertility treatment, poor planning to meet the government target, and no clear criteria as to which couples should be allowed to have IVF and which should not.

Its survey of clinics in England, which will be published in the journal *Human Fertility* next month, found that the number of cycles, or attempts at fertilisation, had increased, but that there were still "black holes". Primary care trusts are responsible for funding treatment, but some are more willing to find the money than others. Since 2004, 16% of clinics report a decrease in funding for NHS treatment, not an increase. In the vast majority of cases, only one cycle of treatment is permitted. Only 9% of the clinics said they had funding to offer two cycles.

The BFS is pessimistic about the future. "There is little indication of PCTs making any long-term plans to implement the Nice guidance, and no reassurance that the full guidance will be implemented (in contrast to Scotland)," it says.

Some people find they are refused treatment that they would have been given if they had lived elsewhere. "There is a wide disparity on the social criteria used for acceptance on to an NHS-funded programme," said the BFS.

Half of clinics would not accept somebody for treatment who had previously had a child. Other clinics turn people down because they are overweight or because they smoke, says the BFS, complaining of uncertainty and inconsistency.

The BFS has written to every PCT in England asking them to meet the government's fertility targets. "Anybody who works in the field will tell you things haven't changed as much as they should have done," said Allan Pacey, secretary of the society.

As a taxpayer, he said he could understand the argument that PCTs had high priorities, such as cancer care, for their budgets. "But the government has set out its stall," he said.

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"Inequity is something PCTs have been told to address."

The society has made 11 recommendations on the reform of social criteria used by clinics to decide who to treat. They include that no woman should be treated on the NHS over the age of 40, that single women and same-sex couples should be treated the same way as heterosexual couples, that previous children should not exclude couples from treatment, and that those who are severely overweight – which reduces the chances of success – should go on a weight reduction programme before they get treatment.

The Department of Health said decisions on funding had to be made locally. "Primary responsibility for implementing Nice guidelines, including the rate of implementation, rests with the NHS at local level and we have made it clear that we expect these guidelines to be followed," said a spokeswoman.

But she added that the department was working with the patients' organisation Infertility Network UK to help ensure that patients' voices are heard when PCTs make funding decisions.

## Cole move close to collapse

Arsenal chairman tells him to 'get his head right'

**Staff and agencies**  
**Wednesday August 30, 2006**  
**Guardian Unlimited**



**Dedicated employee Ashley Cole.** Photograph: Chris Jackson/Getty Images

The Arsenal chairman Peter Hill-Wood hopes that Ashley Cole will "get his head right" following the apparent collapse of his move to Chelsea.

With tomorrow's transfer deadline looming, Cole looks unlikely to cross London to join Chelsea after the clubs failed to agree a fee. The protracted saga has been running for more than 12 months and Hill-Wood admits he hopes Cole can dedicate himself to Arsenal and move on.

"He is a very good player and if he is going to stay I hope his attitude is right," he said. "If he is going to be miserable and sour there is no point. Hopefully he will get his head right."

Hill-Wood described the ongoing transfer wrangle as "ridiculous", admitting that he does not know whether Cole's move to Chelsea could happen in the medium-term. "I don't know is the answer," he added. "It's rather ridiculous really. I have no idea."

Cole's inclusion in the Arsenal reserves' victory against Charlton yesterday signalled a possible shift in Arsène Wenger's mindset ahead of Thursday's midnight transfer deadline. However, it will surely be difficult to welcome Cole back into the first-team fold following his summer of unrest.



## Watchdog considers action over release of primary results

Alexandra Smith  
Wednesday August 30, 2006  
EducationGuardian.co.uk

The statistics watchdog is looking into claims the government deliberately released poor primary school tests results on the same day as GCSEs, hoping the story would be buried.

The Statistics Commission today confirmed it had received a written response from the Department for Education and Skills after the commission sought an explanation over changes to the release date for primary school results.

Figures released last week showed that the number of seven-year-olds who were competent in reading, writing and maths had fallen and all the government targets for 11-year-olds were missed. The poor results were released at exactly the same time as GCSE results.

A spokeswoman for the commission said: "A concern was expressed to us that the timing of the release changed for reasons of political advantage or news management."

She said the commission had a verbal assurance from the DfES that this was not true and received a written response confirming this late on Friday. But she added: "We will consider whether to pursue the matter."

The code of practice on government statistics states that figures should be released as soon as they are available. This year's timing was a break in tradition. Primary school figures are usually released two days before the GCSE results.

The government has been accused of using "spin" several times throughout its time in office, but the most damaging was the case of Jo Moore, a special adviser at the Department for Transport. Ms Moore sent an email to colleagues suggesting that the terrorist attacks on September 11 2001 made it a good day to bury bad news.

Ms Moore's email, written at 2.55pm, when millions of people were transfixed by television images of the terrorist attack, said: "It is now a very good day to get out anything we want to bury. Councillors expenses?"

A DfES spokesman today denied that the commission had launched an inquiry and said there was no reason for it to do so.

He said: "The key stage test results received widespread media coverage, not least because we highlighted the data in a national press release and ministers gave interviews to national broadcasters on the subject. Notification of the release of the statistics was issued well in advance of their publication."

"The publication of the data was carried out in accordance with the rules governing the publication of national statistics. The department's chief statistician has confirmed to the Statistics Commission that the correct procedures were followed."

## Free music download service wants a bite out of Apple

● iTunes competitor backed by world's biggest label

● Users will have to watch ads to get tracks

Bobbie Johnson and Andrew Clark  
Wednesday August 30, 2006  
The Guardian



**The Scissor Sisters, one of the top five downloaded artists, perform in Hyde Park. Photograph: Dan Chung**

A music download service believes it can wrestle music fans away from the grip of Apple by giving away music for free.

SpiralFrog.com, which is set to launch this year from New York, is being backed by the world's biggest record label, Vivendi Universal. Between them they hope to give away music by some of the world's most popular artists, including Eminem and Kaiser Chiefs.

Instead of copying Apple's iTunes store by charging customers to buy music, SpiralFrog says it will replace the traditional cost of downloading with money made from advertising. Audiences will have to sit through a short advertisement before downloading their track of choice, a tactic used by some other media websites but thought to be a first for music.

Lance Ford, chief sales and marketing officer at SpiralFrog, said 70% of people aged 16 to 24 downloaded music online but only one in 40 tracks were bought legally. "They use computers as 21st century stereos in their rooms," said Mr Ford. "The music companies can't do much about this ratio of one bought for every 40 stolen. There needs to be a free-of-charge solution."

The service will begin in North America at the end of this year, with a UK launch scheduled for the first quarter of next year. The company is keen to make deals with other labels, which will in return receive a share of advertising revenue from its website.

"We're in talks with other majors," Mr Ford said. "People are saying 'if you can build it, we'll come on board'."

Although other services have tried to bring the ethos of commercial radio to the internet, most have copied the model of traditional high street music retailers by selling individual tracks or albums at a profit. More adventurous businesses, including Napster, charge flat monthly fees for subscriptions that allow users to make unlimited downloads.

But industry experts say the rise of community websites

such as MySpace, where many musicians give their music away for free, has combined with the existence of illegal filesharing to open the door to new ways of doing business.

“There is a sense in which the major labels are almost falling over themselves to be the first to get into these new businesses,” said Paul Brindley of MusicAlly, a digital music consultancy.

“It’s been a real change, from resisting new developments to wanting to be out there at the cutting edge.” Apple’s iTunes, which sells tracks for 79p each, is the biggest download service in the world, but is only compatible with the company’s bestselling iPod player.

SpiralFrog’s tracks will not work with the iPod or with many other popular MP3 players. But the company is aiming for compatibility with the next generation of music-playing mobile phones.

The deal is far from being Vivendi Universal’s first foray into online music, a market now worth more than £53m globally. The company, which has a 26% share of the international music market, already operates with a number of download sites, though it sold off ownership of the MP3.com website three years ago.

Some analysts believe SpiralFrog will eventually offer an ad-free paid download service alongside its commercial model. Michele Mackenzie, an analyst at Ovum, says it will be tough because existing companies such as Yahoo! “are far better experienced in dealing with advertisers and have a far wider reach”.

## Air Berlin to sell flights at supermarket checkouts

**Hans Kundnani**  
Wednesday August 30, 2006  
The Guardian



**Get your Air Berlin tickets here.**

In a bold move that could be the beginning of a partnership between supermarkets and budget airlines, Air Berlin is to sell cut-price flights next month at Lidl checkouts.

For a week starting on September 5, customers at the German supermarket chain’s 390 UK stores will be able to buy £19 vouchers that they can swap for one-way flights on the low-cost carrier, which serves 25

destinations in Europe.

The vouchers will have a code to enter when booking on Air Berlin’s website or give when booking on the phone. They can be used to purchase tickets for any Air Berlin flights from the UK until the end of March, including flights on bank holidays, as long as seats are available. Air Berlin flies from five UK airports including Stansted to destinations such as Rome and Zurich as well as Berlin.

Air Berlin seats start at £19 one-way to destinations including Vienna, and go up to £69 – usually for flights booked at the last minute. Passengers could therefore save – and Air Berlin lose – up to £50 on a one-way seat.

Angelika Schwaff, a spokeswoman for the airline, said the promotion would help Air Berlin reach new customers in the UK and insisted it would not lose money. “For us it’s important to increase awareness of the brand and address new customers,” she said. “It’s a win-win situation.”

Air Berlin is Europe’s third-largest low-cost airline and Germany’s second-largest. It has flown out of the UK since 2002 and has been trying to increase its share of the UK market. It has tried similar link-ups with German supermarket Penny and with Lidl in Spain, which it says were extremely successful. So much so that in Germany the vouchers sold out within two days. The airline would not say how many of the vouchers it would sell in the promotion in the UK, but said it was a “six-figure sum” and Lidl customers could buy as many as they wanted while stocks lasted.

Lidl said there was “a natural match between a quality low-cost retailer and and quality low-cost airline.”

Tony Parker, a Lidl company director, said: “This is a first for retailing in the UK and we are absolutely delighted to be expanding our existing range of weekly offers and extending it into a new sector.”

Airline rivals dismissed the promotion as a gimmick. “I’m surprised Lidl is selling such high-cost produce,” said Peter Sherrard, a spokesman for Ryanair. “Customers won’t find the cheapest flights at Lidl. They’ll find them at ryanair.com [http://www.ryanair.com].”

## 2nd law of robotics: give them faces

**Column five**  
**James Randerson**  
Wednesday August 30, 2006  
The Guardian

In a nondescript house somewhere near Hatfield, something that could pass for any student digs, groups of men and women have been rehearsing for the future. In a year-long series of experiments, scientists and engineers are studying how people

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behave around the building's sole permanent resident, a 1.2 metre-tall, silver-headed robot with sinister-looking gripping claws.

Their goal is to improve the way robots interact with people: everything from what the machines should look like to how they should behave.

And the early evidence from inside the Robot House is that our utopian vision of a future of splendid idleness may be clouded by a distinct unease in the company of our robot servants.

"It is not enough that the robot is in your house and doing different things," says Kerstin Deutenhahn, an expert in human-robot interaction at the University of Hertfordshire. "That same robot should also be able to perform this behaviour in a way that is acceptable and comfortable to people."

The idea is to look ahead to the day when silicon-brained home-helps have relieved us of the burden of household chores and work out which robot behaviours people like and which distress us. What should the robot look like? How should it move? How should it attract our attention?

The researchers have resisted the temptation to give the robot a name because they do not want the volunteers in their experiments to feel too familiar with it. "Once you name them then people will put gender associations on them, which is a big problem," says researcher Kheng Lee Koay.

It moves on three wheels and can stop itself bumping into walls using devices that emit a rapid-fire stream of sonar pulses. By analysing the echoes from its surroundings, rather like a bat surveying its environment, it can work out whether it is heading for a collision with a nearby object. But its sonar pulses cannot tell the machine that people get really squeamish when it creeps up behind them.

A typical experiment involves sitting a volunteer down, so that the robot is slightly taller, and sending the machine on a pre-programmed approach route. The volunteers then indicate when they feel the robot has come uncomfortably close.

"People strongly dislike it when the robot moves behind them for example," says Prof Deutenhahn. "Most volunteers also felt uncomfortable when the robot came at them directly from in front, possibly because it seems aggressive. A more subservient, oblique approach seems the best option."

The volunteers also preferred the robot to look a little human, with a face containing mouth and eyes that light up to give rudimentary expressions. A purely mechanical exterior was apparently harder to relate to.

But robotics experts note that the human guinea pigs don't want their machine-servants to be too much like them. Ben Krose, a professor at the University of Amsterdam, says: "The more human-like the robot becomes, the more it is accepted, but after a certain point it gets scary."

The current crop of robots – most of which are only capable of carrying out menial tasks such as cleaning carpets or mowing lawns – are too simple for anyone to be concerned with their behaviour. But engineers are fast developing more complicated and flexible machines, and working out how these should be programmed to interact with people is becoming an important research question. Sophisticated robots will never be successful if people do not like their behaviour.

A conference on human-robot interaction at the University of Hertfordshire next week may offer more cause for human anxiety as one Japanese expert will advocate a fundamental

shift from Isaac Asimov's first law of robotics, which states that a robot should be programmed never to harm a human, either deliberately or by its inaction.

Shuji Hashimoto will propose what he calls a "new relationship between machine and human", where robots should be allowed to go through a kind of adolescence, and be given the ability to think and make decisions for themselves and even to harm humans if necessary. "The philosophy of Asimov is too human-centred," says Professor Hashimoto.