

Tara Foundation

The monthly magazine - October 2006 Volume 1, Issue 6

Inside:

Editorial 1

*Shell's PR machine and the
Media: the case of the Corrib
Gas project* by hanshiro 3

The Palm Oil Corporations
by turoe 7

*No Ordinary Pipeline: Your
Pipeline News* by hanshiro 8

*East Timor: Timeline of the Coup
(Part IV)* by turoe 12

*August Licence Giveaway
(Part II)* by turoe 13



The Dublin Port Tunnel Revisited: Editorial

A few months ago, we published an article dealing with the proposal by the Progressive Democrats to move Dublin Port to Breamore, north of Balbriggan Co. Dublin. In that article it was revealed that the PDs were not, despite appearances, the architects of that proposal, that in fact it had its origins in an ESB report published in 1990. In this report,

the issue of whether to move the Port to a greenfield site north of Dublin, or to carry out upgrades to the existing facilities along with the construction of a "Port relief road" to remove heavy port traffic from the streets of Dublin.

The ESB report argued, very plausibly, that the Port relief road as proposed would fail: as it was designed not to integrate with the existing road network and so to discourage commuter traffic, it would also mean hauliers would have to make a longer journey to reach the same destination in a business where there are deadlines to be met. Nevertheless, the Port Authority and central government went with the Port relief road plan, now infamous as the Dublin Port Tunnel. Not only will the Tunnel as designed not accommodate "super trucks", but traffic volumes will need to be closely monitored owing to an inadequate ventilation system.

Now it appears that, owing to "significant hurdles" in the testing of safety systems, the opening of the Tunnel is conveniently set to be delayed indefinitely. "Conveniently" because, as of 20th October 2006, at a Dublin Castle conference entitled A New Heart for Dublin, Tánaiste and PD leader Michael McDowell (also Justice Minister), stated that An Taoiseach Bertie Ahern has expressed support for the PD's plan, or rather the PD's plagiarised ESB plan. The Dublin Port Tunnel is intended to be "an integral part of the whole project". The question that must be asked is how this is going to happen, given that the purpose for which this vastly expensive Tunnel was proposed (namely to move port traffic off the city streets) has now been rendered useless, or rather more useless than before.

Given that the Irish State sat on the ESB's plan for fifteen years, only to revive it now, when the Tunnel is complete but so far nowhere near operational, it must be said that the intention was all along to move the Port, and that the Tunnel was constructed, in the spirit of the entire roads programme under the National Development Plan, so as to be essentially useless and to absorb enormous revenue. But as a vast infrastructure project, like the M50 or the M3 Motorways, besides being designedly useless from the viewpoint of a sane transport plan, it does have one significant, indeed overriding virtue for its backers: it is likely to boost the rezoning potential of adjacent land, and thus its value to developers.

So, while the truck-free-city justification for the move is mentioned in the PD's brochure, more emphasis is laid on the 600 acres of real estate that will be made available by relocating the port to Breamore. This proves our contention that there is no intention to actually replace the Port: it is to be moved, for sure, but the new Dublin Port, built on State land and through expensive Private Finance Initiative contracts, will be privately owned and operated, just as Ireland's ports, for instance Waterford, are being sold off to private ownership. The "real estate" thus

made available is intended to be a bonanza for speculators and developers, particularly the front companies for multinational construction firms such as Halliburton's Brown and Root, project coordinator for the Port Tunnel.

The point could do with emphasizing: all the evidence suggests that the last thing the Government is concerned with is providing for sensible development or an efficient transport network. Vast amounts of public revenue have been sunk in criminally wasteful road programmes, when even a fraction of those sums, in a fraction of the time over which it has been spent, might have provided the entire country with a world-class rail network, and the cities with on street rail. Instead, the policy is expensive, ever-spiralling gridlock and lawless rezoning, regardless of the needs of the electorate or the chaos created. Indeed, if chaos seems to have become the norm, it is deliberate, and for a political end, one which has cross-party support: to control opposition by channeling into minor concerns, or rather concerns which in normal circumstances would be minor.

Shell's PR machine and the media: the case of the Corrib gas project by hanshiro

On Tuesday 3rd October 2006, a large Garda operation was set in motion in Erris, Co. Mayo. Up to 200 Gardai, including riot squad and armed detectives, forced their way through protestors at the Ballinaboy terminal site so that Shell employees could access the site. To coincide with this, several major newspapers and state broadcaster RTE lined up on the side of Shell, reporting favourably on Garda actions, attributing aggression to protestors where there was no evidence, and failing to report repeated instances of Garda violence and provocation.

The most blatant example came from the Sunday World's Paul Williams (ex-RTE correspondent), whose article led with "How the Shinners Hijacked Rossport – IRA take control of protests". The fact that there was not the slightest evidence to back up these claims did not matter, nor did it prevent prominent broadcasters and news programmes from making similar claims. The Sunday Times has followed suit, pursuing an ad hominem vendetta against Maure Harrington. The Irish Times has, in keeping with its status as paper of record, confined Shell PR mainly to its letters page; a notable instance of this was a letter justifying the Nigerian dictatorship in its execution of Ken Saro-Wiwa and seven co-defendants, citing the baseless, trumped-up charges laid against them as evidence.

RTE's "Morning Ireland" accused protestors of intimidation; RTE news reports have implied that protestors are responsible for violence,

while proven instances of Garda violence are either ignored or distorted. Nowhere is it mentioned that this kind of policing operation, the protection of a multinational's operations when the details of those operations are still under legal challenge, is completely without precedent in Ireland, and that Ballinasloe Garda station, the base for the operation, is refusing to accept complaints of Garda misconduct, indicating that the Gardai are operating under political direction.

Pat Kenny and Joe Duffy, both senior RTE broadcasters, openly stated their support for Shell on their respective radio programmes and recited Shell PR as fact, Joe Duffy going so far as to cite an opinion poll conducted by Shell, which (by excluding the possibility of refining the gas offshore) claimed overwhelming endorsement for its plan, even though an RTE/TNS MRBI poll conducted in September 2006 found that 6 out of 10 Mayo people wanted the Corrib gas to be processed offshore. Following an incident (13th October 2006) in which Maura Harrington, member of the Shell to Sea campaign, was pushed to the ground by a Garda and suffered head and neck injuries, she was a guest by telephone Joe Duffy's programme Liveline, in what must be described as one of the most extraordinary hours of radio ever broadcast by RTE. In the usual style of this programme on the rare occasions when a "dissenter" is allowed to speak, Joe Duffy cooperated with a number of phone-in attackers who sought, repeatedly but unsuccessfully, to distract from the issues, focusing on baseless allegations against Ms. Harrington, and repeating Shell PR even when demonstrably false.

This interview, or attack piece, can be seen a microcosm of how much the media have handled the issue. The papers owned by Anthony O'Reilly KBE have played a substantial part in Shell's PR war against the people of Erris Co. Mayo. "Sir Tony" owns a substantial portion of the Rockall Bank oil concession, and thus stands to benefit substantially from Ireland's energy resources. (Ireland's licensing regime permits, essentially, the alienation of sovereign territory and all its resources to multinationals and individuals such as O'Reilly.) The fact that O'Reilly's media group, which, among many others, owns the Irish and Sunday Independent titles (prominent propagandists in recent days against the Shell to Sea campaign) should follow such an editorial line is not surprising. That RTE should do the same is less excusable, given the vast amounts of taxpayer funding it receives each year. Despite its claims of editorial impartiality, it has, as on previous occasions, shown itself to be anything but impartial. Any deviation from the State script is regarded by established RTE personages to be a threat, and treated as such. This would be less shameful if the State were not too politically and morally weak to put forward a viewpoint which might challenge powerful and unaccountable interests. The Government is obliged by the Constitution to protect interests of the electorate, yet the furthest it goes in this direction is to invoke a democratic mandate for its actions. By pocketing its lavish state benefits and going along with the political status quo, RTE in its current form is a poor excuse for State media.



Máire Harrington lies concussed on the public road leading to the Bellinaboy terminal having being pushed by a member of the Gardaí, 13 October 2006



The Rossport Solidarity Camp

The Palm Oil Corporations by turoe

Today's rainforests are disappearing at an accelerating rate. This process can proceed due to a huge expansion of monopoly agriculture and food production. It is occurring in Latin America, South-East Asia and Africa. One of the main culprits is the global palm oil trade. This industry is driving both rain forest destruction and the enforced land clearance of small farmers, leading to massive human rights abuses. Consumers are subsidizing this process through their purchase of everyday items such as chocolate, crisps, detergents, toothpastes and shampoo: all these use palm oil as a ingredient. In the UK, this "hidden ingredient" imported from the vast monoculture plantations of South-East Asia, is found in more than 10% of all products in supermarkets. (1)

The oil palm originates from the coastal regions of West Africa, where it was a staple food. The Portuguese discovered the crop during their expeditions to the regions in the 15th century, with palm oil becoming a staple on slave ships. The first oil palm plantations were established in Asia at the beginning of the 20th century by the colonizing powers. The development of rubber plantations in Asia paralleled this development.

By the early 1970s Malaysia was the world's dominant producer of palm oil, and still accounts for over 50% of global production. However, rapid expansion is taking place in Indonesia, which is marketing its vast transfer of land to foreign corporations in nationalistic terms, as an industrial drive to overtake Malaysia as the main exporter of palm oil. Whether this objective is achieved or not, Indonesia will export the raw, unfinished product, and the large-scale processing and refining facilities will remain abroad.

The Indonesian government has handed out huge areas of land to business groups and foreign investors – including London Sumatra for Palm Oil plantations. By 1996 Indonesia had outlined 9.13 million hectares of land (an area equivalent to the size of Hungary) for palm oil plantations. International financial institutions such as the World Bank and ECAs have funded the development of private plantations and smallholder estates. (2)

The structure of palm oil investment in Indonesia is complicated, but bears detailed examination, for it is a prime example of neo-colonialism, with Indonesia relegated to the secondary role of supply of bulk raw material for the primary producers abroad.

The chain of production and supply for palm oil is very complicated, involving plantation owners, traders, refiners, processors and retailers of the finished product. The hundreds of palm plantation companies in Indonesia are controlled by a few Indonesian and foreign-owned companies. These include the UK Government-owned corporation CDC, which is involved in major disputes with communities in West Kalimantan

in Indonesia. Other UK companies include Anglo-Eastern and REA holdings.

In Indonesia, the oil is produced from the fruit at centralized mills and is then processed in refineries, located in either producer or consumer countries. UK Pura Foods Ltd, based in London and now owned by the US commodity trading company Archer Daniels Midland (ADM), refines palm oil and supplies approximately one-third of the edible oil requirements of the UK food manufacturing, catering and technical industries. ADM is closely linked to Wilmar Holdings in Singapore, which is probably supplying Indonesian palm oil to Pura foods.

Some of the palm oil entering the UK is imported by major actors such as the Dutch-Anglo company Unilever; some is bulk-imported by a myriad of small independent oil traders and brokers. The oil is then sold on to be directly processed by companies for the various food products sold by the major supermarket multiples. Therefore a strict hierarchy has been established, consisting of the advanced industrial nations of the west who import and process the raw Indonesian product into refined food products.

The investment structure for the Indonesian Oil Palm business is broadly as follows:

The European Investors include: Barclays Bank, HSBC, the Royal Bank of Scotland. These fund the Indonesian plantation and business operations whose principle companies include: Cargill, (one of the world's largest food corporations), Raja Garuda Mas Group and Asia Pulp and Paper (APP)/Sinar Mas Group. (3), (4) (5), (6), (7)

These last two companies are the principal production companies in Indonesia. The ECAs are supported by the International Monetary Fund, the IFC, the World Bank (IBRD), and the Asian Development Bank in a process characterized as "double destruction," caused by Indonesia's paper and pulp and oil palm sectors. (8)

The so-called Double Destruction scenario operates as follows:

- Tropical forests, often owned and occupied by indigenous and other forest dwelling peoples or located in protected forests, are seized and logged, the timber largely destined for ECA-financed pulp mills;***
- The remaining brush is cleared by fire or other available means (Indonesia's "fires of the century" were linked to palm oil and pulp plantation establishment);***
- Instead of planting fast-growing pulp trees in the clearcut regions, the ECA-backed pulp conglomerates set up oil palm plantations;***
- The companies then move on to seize and log additional forests to supply the pulp mills; they do not supply demand from pulp plantations, as claimed in reports to shareholders, and so the process continues, leading inevitably to the certain destruction of Indonesia's great rainforests. (9)***

These Indonesian companies transfer the pulp for refining to Europe, whose refining companies include Cargill, ADM, and Pura Foods. After the pulp is refined it is passed to major European food

manufacturing corporations, such as Cadbury-Schweppes, finally the finished product as a food ingredient is directly sold by the major retailers, such as Tesco and Sainsburys. So, broadly speaking, Indonesian supplies the raw, bulk material, while Europe refines, processes and finally manufactures the result. This again reflects the classic colonial pattern of forced underdevelopment, today carried out under the aegis of formally independent states.

In subsequent articles we will examine the situation in Malaysia and elsewhere, and provide more information on the palm oil corporations and their western financiers.

- (1) http://www.mongabay.com/external/foe_palm_oil.htm
- (2) <http://www.eldis.org/static/DOC14908.htm>
- (3) http://www.eca-watch.org/problems/pulp_paper/eca-indonesia.html
- (4) <http://articles.ibonweb.com/magprint.asp?num=577>
- (5) http://businessweek.com/magazine/content/01_33/b3745003.htm
- (6) <http://www.maanystavat.fi/april/why/april.htm>
- (7) http://www.eca-watch.org/problems/pulp_paper/eca-indonesia.html
- (8) <http://www.serve.com/~inside/edit65/aditijondro.htm>
- (9) http://www.eca-watch.org/problems/pulp_paper/eca-indonesia.html

No Ordinary Pipeline: Your Pipeline News by hanshiro

The energy distribution firm Emera plans to build a gas pipeline from the liquid natural gas terminal in Mispec, New Brunswick, through the city of St. John and down to the U.S. border, on behalf of Irving Oil and partner Repsol. Despite assurances by the company that it has a spotless safety record, the city's fire chief, in a report submitted to the city council, has backed calls by residents to re-route the pipeline under the Bay of Fundy rather than through the city, stating that while a rupture was unlikely, its consequences could be catastrophic. The report states that a high intensity fire would rapidly burn an area extending 300 metres from the point of rupture. The proposed route will bring the pipeline close to the Irving oil refinery, an electrical substation, apartment blocks and houses, manufacturing plants using hazardous materials, and through Rockwood Park. In secret negotiations with Irving Oil (reminiscent of those conducted with representatives of the oil and gas industry by Energy Minister Ray Burke in 1987) city mayor Norman McFarlane was persuaded to make huge tax concessions on the lands Irving wanted for the St. John LNG terminal.

The Russian Government recently shut down sections of the Sakhalin 2 pipeline project, on the stated grounds of multiple violations of

environmental protection legislation. A group of Russian and international environmental groups, in a letter to the European Bank of Reconstruction and Development, stated that the project, in which Shell has a 55% stake, cannot credibly demonstrate that Sakhalin 2 complies with the Bank's environmental policies. Severe erosion has plagued the pipeline route as a result of failed, and in some cases non-existent, erosion control measures, with runoff polluting wild salmon rivers. Erosion, along with the threat of seismic activity in the region, poses serious risks for pipeline integrity. The dumping of a million tons of waste by the consortium will threaten the survival of the dwindling grey whale population. The Sakhalin Island economy, also, is heavily dependent on fishing, and is already under threat from pollution. Owing to a large influx of foreign workers, Sakhalin Island has seen an explosion in prostitution, violence against women, and HIV/AIDS. Even if the Russian Government's intervention, citing such concerns, is a pretext for increasing the state company Gazprom's stake in the project, it has succeeded in bringing to prominence a series of grave violations the responsibility for which rests entirely with the consortium. It is also a recognition that official corruption has given energy multinationals undue influence.

The Corrib gas pipeline is no ordinary pipeline, notwithstanding Shell/Government PR and statements by RTE personnel and sections of the press which show little awareness of the facts.

- In granting Shell consent to build the pipeline, Minister Noel Dempsey breached EU Directive 98/30, and its replacement 2003/55, which outline the common rules for the internal market in natural gas, in that he failed to specify a safety standard with which the pipeline must comply. Shell has claimed the pipeline complies with BS 8010. But the Advantica report, despite its limited terms of reference (which excluded the Ballinaboy terminal, even though its inland location is responsible for the pipeline controversy), stated that the pipeline in its current design cannot comply with BS 8010. By not specifying a safety standard, Shell can legally operate the pipeline with no safety regulations. Given the high corrosion risks associated with raw gas pipelines, and the proximity of the pipeline to inhabited areas, this exemption of the pipeline from any health and safety requirement is inexcusable.**

- The raw (unprocessed) gas pipeline, which brings gas from the wellhead where it is extracted to the refinery at Ballinaboy for cleaning, is the longest of its kind in the world at 5.6 miles (9km). As no safety standard exists, the pipeline is not covered under Irish health and safety law; therefore no procedures are specified for monitoring the integrity of the pipeline, and there are no emergency response procedures in place should the pipeline rupture, even though these are basic industry requirements.**

- The Irish State has been found in breach of the EU Habitats Directive by allowing the pipeline to traverse Broadhaven Bay, a Special Area of Conservation.**

- *Shell has yet to submit an Environmental Impact Statement relating to emissions from the Ballinaboy terminal. It omitted gas flaring from its submission to Mayo County Council. Shell commissioned a report from UCC regarding marine life in Broadhaven Bay. Entitled "Marine mammal monitoring in the waters of Broadhaven Bay & northwest Mayo: 2001-2002", it stated that the bay was "an important area for marine mammals and other species." According to the Shell's EIS, there was "no evidence that the bay is of particular importance" to whales and dolphins.*
- *Shell, despite repeated assurances that it intends to reroute the pipeline, and despite repetitions of this by the media and politicians, has not vacated the Compulsory Access Orders and Compulsory Acquisition Orders for the original route.*

Bolivia has the second largest reserves of natural gas in South America, after Venezuela. In 2005, widespread protests, on one occasion paralyzing the capital La Paz, greeted the passing of a hydrocarbons law that, while increasing taxes on the multinationals that have controlled the country's oil and gas reserves since privatization in 1996, fell short of a demand for complete nationalization. IMF and World Bank demands that the country export its gas via a proposed pipeline through long-time enemy Chile resulted in the "Gas War": when 500,000 citizens marched to demand the resignation of President Gonzalo Sánchez de Lozada because of the deaths of 60 people at the hands of the military, the President boarded a plane to Miami. In May 2006, new president Evo Morales sent troops to seize gas fields, though whether his actions will live up to his promises waits to be seen. The privatization, like that in Ireland, was on terms highly favourable to (in other words virtually dictated by) the multinationals. In the years following, the companies discovered massive deposits of natural gas. However, in the case of Ireland, the privatization, or hand-over, took place despite real alternatives for partnership with oil-producing states (Norway and Iraq), and awareness of considerable hydrocarbon potential in Irish waters.

East Timor: Timeline of the Coup (Part IV) by turoe

In July 2006, at the culmination of the highly successful Australian neo-colonial coup, Jose Ramos-Horta was formally sworn in as East Timor's new Prime Minister. Mari Alkatiri's replacement fully understands to whom he owes his appointment. (1) As prime minister in waiting, he had already declared that Australia should lead any new UN mission to East Timor. Immediately after swearing-in, Horta made another pledge to Canberra, vowing to funnel legislation through parliament ratifying the January deal with Australia over the division of proceeds from Greater Sunrise, by far the largest of the Timor Sea fields. He stated: "We cannot be known as a country that signs agreements and then doesn't ratify them. Our credibility as a state and as a government is at stake." Woodside of course are waiting on

ratification to resume development of the gas field, which at a conservative estimate consists of \$20-25 billion in reserves. The international media has hailed Horta as a consummate diplomat and was co-winner with Bishop Carlos Belo of the 1996 Nobel Peace Prize, an honour always awarded for service render to the major powers. (2)

Ramos-Horta expressed hostility towards Fretilin's socialist rhetoric and in fact broke from the organization in the 1980s. Horta's loyalty to the US and Australia was evident when he wrote an article in February 2003 for the New York Times defending the impending (illegal) invasion of Iraq.

Ramos-Horta was sworn in by Gusmao. In an open acknowledgement of his collusion in the plot, Gusmao invited Vicente "Railos" da Conceicao to the ceremony, seated among various political leaders, diplomats, Australian military officers and church representatives. It was of course, Railos's allegations that he was head of a "hit squad" formed by Alkatiri and his interior minister that provided the basis for legal proceedings against the prime minister. (3)

The flimsy nature of the case against Alkatiri was revealed by journalist John Martinkus, who wrote of the allegations: "Other reporters had been to see this [Railos] group and some had chosen not to report it. They were located in the house of the Carrascalao family and their story didn't seem to be true. The Carrascalao's are an established family in East Timor [and] were instrumental in the UDT [Timorese Democratic Union] party that fought a brief civil war with Fretilin in 1975 – people with axes to grind." The fact that elements such as these were involved in the operation is of potential significance, as these tactics are similar to the Indonesian military's "Operation Komodo" which ignited the civil war directly preceding the 1975 invasion, and gave the pretext for Indonesia to invade. In effect, it is the same operation. (4), (5), (6), (7)

The Gusmao/Horta group of Falantil fighters, politicians and disaffected elements were used in the violent clashes which have resulted in the flight of at least 150,000 refugees, have been presented in the media as ethnic tension between "easterners" and "westerners" have been involved in a plot which is at least 4 years old.

Figures like Mario Carrascalao, who functioned as governor for a decade under the Indonesian regime, were angered by the policies of the Fretilin government. Alkatiri had attempted a balancing act, while balancing the books and being "fiscally responsible," his government refused to allow access for the outright plundering of East Timor's immense resources. The opposition repeatedly attacked the government for not being "business friendly" and failing to provide financial incentives and infrastructure. (8)

Horta has outlined a different approach. In his acceptance speech he attacked the government's "very slow and complicated bureaucracy" as an obstacle to foreign investment, promising to end the "bureaucratic stranglehold." "We are going to introduce the concept of "fast track" to accelerate the execution of projects. Reinforcing the message he added:

“The private and entrepreneurial sector is an indispensable pillar in the development and well-being of our country. With them we are going to find ways to offer incentives and enthruse them and facilitate their activities. The foreign investors in this country can count on this government to listen to them and to support them. We are going to better and simplify the laws and rules for the process of registration of companies. We are going to investigate the complaints about the non-payment of bills by the government.”

Ramos-Horta also indicated that the Catholic Church – intensively involved in the coup against Alkatiri, as it was in the coup against Aristide in Haiti - would have a much greater involvement in East Timorese politics in the future.

While the ministers have not yet been announced, Horta has promised an “inclusive” cabinet. This means political figures drawn from outside Fretilin, which holds the overwhelming majority of parliamentary seats. As part of the compromise with Fretilin, two of Alkatiri’s ministers – Estanislau da Silva and Rui Araujo – have been named as deputy prime ministers. Ramos-Horta will also have to include other Fretilin ministers if he is to enjoy its continued support in parliament. (9)

However, the campaign for “regime change” will not stop with the resignation of Alkatiri. On June 27th, the day after Alkatiri’s resignation, an editorial in the *Australian Financial Review*, entitled “Fretilin the stumbling block in East Timor”, stated that the target was not merely the former prime minister, but Fretilin itself. The editorial complained that, while the country had “turned the corner,” the parliament was still dominated by “ageing economic nationalists.” Any step forward depended on Fretilin “reforming its own views on the economy and loosening its grip on the institutions of government.” Political rhetoric is a little more forthright in Australia. (10)

Already several of the “rebel leaders” have expressed their fundamental dissatisfaction with the inclusion of *any* Fretilin members in the new government and declared their determination to stage new protests. Major Augusto Araujo accused Horta of being too close to Alkatiri and Fretilin and declared that he would meet with Gusmao to demand the president dissolve parliament and calls new elections. (11)

With Fretilin potentially out of the framework, the way will be clear for East Timor to be controlled by collaborationist forces tied to Australia. The circle is almost completed: what Indonesia began, Australia is now finishing. East Timor’s oil and gas resources are open to plunder, while its overriding strategic position is secured for the United States, concerned as the latter always has been that the Timor Sea remain open to its naval forces for operations in East Asia.

Confirmation of this prediction is to be found in the news that a permanent Australian military base is to be established in East Timor, a facility to which the US will enjoy unrestricted and complete access. (12)
(13)

(1) <http://www.wsws.org/articles/2006/jul2006/etim-j12.shtm>

- (2) *Ibid.*
- (3) *Ibid.*
- (4) *Ibid.*
- (5) <http://www.studentsoftheworld.info/sites/country/east-timor.php>
- (6) <http://www.johnpilger.com/page.asp?partid=59>
- (7) <http://www.mediamonitors.net/mosaddeq25.html>
- (8) <http://www.wsws.org/articles/2006/jul2006/etim-j12.shtml>
- (9) *Ibid.*
- (10) *Ibid.*
- (11) *Ibid.*
- (12) <http://www.politicalaffairs.net/article/articleview/3762/1/196/>
- (13) <http://www.trumpetamerica.org/o6o614ta1329.html>

August Licence Giveaway (Part II) by turoe

In fact, these smaller companies seem to be carrying out the initial exploration work in some of the blocks, later handing over the bulk of the field to the major players. This has been the case with the huge Dunquin field, now effectively owned by Exxon-Mobil.

In July 2005, the Dept. of the Marine and Natural Resources issued further frontier licences to Shell and Island Oil & Gas in a 1,650 sq. kilometer block in the North East Rockall Basin. All these licences are valid for at least sixteen years and presumably can be renewed if the rudimentary terms are adhered to. (1).

The initial fees for the licences are 8,354 euro. Yearly rental fees after that amount to 27 euro per square km. for the first phase; for the second, third and fourth phases, 55 euro; and 111 euro per square km. if any surrender of acreage takes place. Added to these princely terms, there is an annual fee of 80,000 euro for an entity known as the Irish Shelf Petroleum Study Group (ISPSG), the successor to the joint industry Rockall and Porcupine study groups of the Petroleum Infrastructure Programme (PIP), undertaking geological, environmental and engineering studies. These will benefit the oil corporations, and as these are joint programmes, the State shares part of the costs. There is another annual fee of 18,000 euro for the so-called Expanded Offshore Support Group (EOSG), undertaking joint training, management, industry support, research, etc.

Again, the State shares costs, presumably including third-level research; in contrast, Exxon-Mobil's profits for 2005 were \$36.13 billion and Shell's profits for 2005 were: \$22.49 billion. (2)

Role of PAD: One of the factors in this business is the Petroleum Affairs Division (PAD) in the Department of Communications, Marine and Natural Resources, which directly controls Ireland's national exploration and resources policy. Established in 1977, under the Dept. of Industry and

Commerce, it became the administrative centre for the oil / gas industry in Ireland.

The Irish National Petroleum Organisation (INPO) established in 1979, was specifically prevented by the Fianna Fail government from engaging in drilling and exploration, and was effectively abolished in 2001. (p.55. cpi report, ibid). Acting through the National Oil Reserves Agency, the state held 10% of all oil stock in the country. The National Oil reserves Agency Bill (2006) transfers the functions of the agency to the Minister, and completes the effective abolition of the INPO. (3)

As with the National Monuments Act (2004), national resources are under the control of the current Minister, Noel Dempsey, and can be signed away under the cloak of strategic necessity.

The Petroleum Affairs Division (PAD) is now the real actor, working closely with the real beneficiaries of this process, Exxon-Mobil, Shell, BP and so forth.

From the late 1970s onwards, successive governments employed petroleum consultants instead of developing a specialist sector in Ireland. According to the CPI, government departments began displaying the "secretive characteristics of the oil industry." (4),

PAD and its related committees ISPSG and EOSG work directly with the oil and gas industry. In this respect it is interesting to note the Irish submission to the International Convention on the Limits of the Continental Shelf in 2005. (5) The stated objective is to maximize the area of Continental Shelf under Irish jurisdiction beyond the 200 mile limit. This effort would seem to be pointless (in that Ireland - under the 1992 terms - will derive little benefit) if the primary interests of the global oil corporations, Exxon-Mobil, Shell, Marathon, BP, etc. are being promoted here. (6) The actual potential for Ireland to control large areas of the Atlantic continental shelf is of great interest to these actors, currently restricted in their ability to control the US Atlantic shelf. The USA has refused to ratify the UN Convention on the law of the sea (UNCLOS), stating that this is a violation of US sovereignty. As a result, the Atlantic Ocean may be the last frontier of global oil and gas exploration as new technology enables deepwater drilling (i.e. in more than 10,000 feet of water).

The vast bulk of US offshore territory (in excess of 80%) is under government moratorium until 2012. In effect, the US state is directing the oil industry to explore elsewhere, in the Middle East, Africa and Europe. Ireland can be attractive territory for the oil principals if the Irish Government succeeds in its bid to extend the Exclusive Economic Zone (EEZ). In June 2005, the Minister for Foreign Affairs (Dermot Ahern) announced the government's intention to extend Irish frontiers 350 nautical miles offshore. The technology to drill for oil and gas resources already exists: the drillship West Navian has drilled in depths of 1,435 metres (4,000ft), 125km off the Donegal coast. (7). These issues will be debated at the "Exploring Atlantic Ireland 2006" conference sponsored by the Department and other interested parties. The

conference will discuss the so-called Irish Atlantic Margin Petroleum Province, the industry term for the Porcupine, Rockall, Slyne, Erris, and Donegal basins. The conference press statement states that what it terms the “waters west of Ireland” contain several large sedimentary basins, broadly similar geologically to the basins of the Atlantic margins of Norway, the UK (the North Sea fields), and Canada (the Newfoundland fields).

**The conference will take place on the 8-9 November, 2006 at the Burlington Hotel, Dublin. It is clear that the future of Ireland’s national resources is now being decided by the Government. (8)
The legality in terms of the constitution of this process is another question and this must come under intensive examination.
In subsequent issues we will examine the nature and history of the licensing terms themselves.**

- (1) ***The Great Corrib Gas Controversy, Centre for Public Enquiry, 2005, p.72*** (<http://www.publicinquiry.ie/reports.php - Id196>)
- (2) <http://news.bbc.co.uk/2/hi/business/4672716.stm>
- (3) http://www.dailyireland.com/home.tvt?_ticket=4CHDALOLO9M2TRRIVPOA9NTHLZIZBHSJ7TRFOPNBINZEGNL9CHVRG13EIOQANSEA NYBEGSGW4UUHONCN15DALNNOPRGUT4SSNNADYNWNKLAUFUFU RUQCB99ANWR9LLGGGSGooQFIRYX347VOV&_scope=DailyIreland Archive&id=29220&_page=&psv=1
- (4) ***The Great Corrib Gas Controversy, p.56***
- (5) <http://www.dcmnr.gov.ie/Natural/Petroleum+Affairs+Division/Irish+Continental+Shelf+Delineation+Project/>
- (6) ***The Great Corrib Gas Controversy, p.71***
- (7) ***Ibid.***
- (8) <http://www.energyireland.ie/atlantic/index.htm>