

Monopoly greed behind Gulf of Mexico oil mess

by *Jim H.*

The BP explosion and subsequent massive oil spill in the Gulf of Mexico on April 20 looms as the greatest man-made environmental calamity ever. 11 rig workers were killed in the explosion. Some 50,000 barrels of oil per day have been spewing into the sea. The effects will be around for a long time.

It is a salutary reminder of the dependence of humanity on nature.

And it is a lesson on the need to put an end to the capitalist economic system, because it is steeped in unbridled greed and the accumulation of private wealth at all costs; because it runs counter to the collective interests of society and encourages excessive individualism.

Because capitalism regards nature merely as a resource for exploitation and not something within which we must all live, the likelihood of disasters such as this one are made much more probable.

In this case BP is the culprit. Documented evidence presented before the US Congress shows that a procedure to test the cement poured to secure the gap between the drill and wall of the hole (cement bond log) was not carried out, simply to avoid a 9 to 12 hour interruption to operations; drilling mud was not fully circulated to prevent the possibility of a weak spot for gas leakage, again in order to avoid interruption to operations; a more risky method of well casing was used to save US\$4 to 7 million; only 6 of the 21 devices required to properly centre



the drill pipe were used. All of these decisions were made at the top levels.

This goes to show that the unrestricted stampeding of these monopolies around the world should not be allowed to continue.

While BP is at the centre of the storm in this case, the corner-cutting style is also practiced by the other oil monopolies.

This year alone, Shell and Exxon have each caused devastating oil spills in Africa.

In this particular case, BP should be made to pay. The cost of the damage has been estimated by Wall Street to be around \$70 billion.

But, despite all the table thumping, President Barak Obama moved to impose only \$20 billion of this on BP. Inevitably, the rest will come out of the American people's tax dollars.

For a cash-strapped administration, this can only mean through raising taxes further or cutting back on essential services.

In other words, working Americans will be made to share the burden.

The ground is already being prepared with the carry on about a new 9/11 challenge and the need for all Americans to pull together. However, this will most likely add to the already existing anger.

The demand is that BP should clean up the environmental devastation and pay to protect the livelihoods of all those people who have been affected.

Some 195,000 workers have lost their jobs in Alabama, Florida, Louisiana and Mississippi. Businesses have already been or are being driven to the wall.

The effects are not only suffered by those making their living from the sea. The shock waves are already spreading

through whole communities. Regional economies are hard hit. Other Gulf of Mexico countries are also suffering.

For the US economy it means a new dimension to its already existing economic crisis. From here it will impact on the rest of the world.

BP can afford to pay. Last year alone its stated profit was \$17 billion. About \$10.5 billion is paid out to share holders in dividends every year. There is no excuse for avoiding the obligation.

The BP oil disaster underlines the incapacity of capitalist governments to act decisively.

The Obama administration moved slowly. Its primary role is to protect big business. Other needs take secondary importance, at best. As was the case with Bush and New Orleans a few years ago, people are drawing conclusions from this.

East Timor resists Australian neo-colonialism

by *Bill F.*

The government of East Timor is demanding that natural gas from the Greater Sunrise field in the Timor Sea be piped to a new processing plant to be built onshore.

This would provide much needed jobs, technological expertise and additional income for the small, impoverished nation.

Opposing this, the Australian company Woodside Petroleum wants to build a floating liquefied natural gas processing facility above the gas field, in order to retain greater profits and exercise long-term control over the development of this vast gas field.

Although there is a commercial agreement covering the gas reserves, the issue of processing has not been agreed, in spite of Woodside's declarations and



announcements to the contrary.

East Timorese government spokesman Agio Pereira said that his

country stood to earn at least US\$65 billion from a local processing plant, as opposed to only US\$13 billion if Woodside's floating platform concept went ahead.

This is a critical issue for East Timor, as the huge reserves of natural gas have the potential to lift the country out of its current situation of grinding poverty, subsistence farming and exploitation by foreign companies and international agencies.

Gun boat diplomacy

In another sign of East Timor exercising a more independent policy, the country has taken delivery of two Chinese-built navy patrol boats, to be used for fishery protection duties and coastal surveillance.

The decision to purchase the boats

was taken after rejection of the Australian government offer to conduct sea patrols on behalf of East Timor.

The Australian offer came with the conditions that Australia exercised overall command and that all communications and intelligence gathering be routed through Australia. This attitude reflected neo-colonial arrogance and contempt for the independence of East Timor.

The government and people of East Timor should be supported in standing up to Woodside's greed and the neo-colonial attitude of the Australian government.

The people of East Timor won their political independence at a very high cost, after long and painful struggles against the Portuguese and Indonesian occupations. They will fight for their economic independence with the same determination.