Corporate Watch

issue 24 - £1

june/july 2005

M74: MAKING GLASGOW FUME

CLIMATE CHANGE & THE G8

CORPORATE ASSAULT ON AFRICA

SELLING SCOTLAND

NUKES AT THE BOTTOM OF THE GARDEN

THE G8 SUMMIT

BETTER LIVING THROUGH CORPORATE RULE?

IN THIS ISSUE – BY EXAMINING THE FORCES THAT ARE CREATING POVERTY AND POLLUTION, CORPORATE WATCH EXPOSES THE G8 SUMMIT'S CLAIM TO HELP AFRICA AND SOLVE CLIMATE CHANGE AS SO MANY EMPTY WORDS THAT CONCEAL THEIR REAL PRO-CORPORATE AGENDA

inside

For more in-depth information about corporations and the G8, get our report: **Bringing the G8 Home: Corporate Involvement in and Around the G8 Summit 2005**, available on our website or as a booklet (£2 plus p&p). We are also publishing a poster based on similar information, available free from Corporate Watch.

Corporate Watch

Newsletter 24: June/July 2005

Corporate Watch is an independent not-for-profit group, which aims to expose how large corporations function, and the detrimental effects they have on society and the environment as an inevitable result of their current legal structure. Corporate Watch strives for a society that is ecologically sustainable, democratic, equitable and non-exploitative. Progress towards such a society may, in part, be achieved through dismantling the vast economic and political power of corporations, and developing ecologically and socially just alternatives to the present economic system. If you would like to help with research, fund-raising or distribution please contact us.

Disclaimer: The objectivity of the media is generally an illusion. Corporate Watch freely acknowledges that it comes from an anti-corporate perspective. It attempts at all times to be factual, accurate honest and truthful in its reporting. We welcome any comments or corrections.

ISSN 1470 5842

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Printed on 100% post-consumer recycled paper by Oxford GreenPrint, 115 Magdalen Rd., Oxford OX4 1RQ www.oxfordgreenprint.com

june

7 Local and global campaigning - Cynefin y Werin dayschool. Tetra mast seminar; G8 Summit organising workshop. FREE/donation, 10.30 - 4.30 Methodist Church Hall, Back Lane, Newtown 029 2082 1055.

9-18 Art Not Oil Institute for Autonomy, 76-78 Gower Street, London W1 *http://www.artnotoil.org.uk/*

9 Benefit gig for local anti-nuke groups. Attila the Stockbroker, and David Rovics, £8/£5 concs. 8 pm Ferryboat Inn, King St, Norwich.

9 'Localise It' Local Sustainability Public Meeting. Sustainable Communities Bill and how to end community decline; 7pm Charles Dickens School, Lant St, London SE1 1QP (entrance on Toulmin St) 020 7833 9898.

9-12 'Technopolis - unravelling the net of technological domination'- Explore new technologies of control and resistance to them. Leeds, West Yorkshire 07913 216260.

10-12 Weekend Of Resistance For Jeff Luers June 2005 marks the five-year anniversary of the imprisonment of this US eco-activst for destroying SUVs.

11 Manchester G8 day of info. The Basement, 24 lever street; 12-5pm, films, speakers, workshops. 7pm comedian Rob Newman + bands *www.dosummat.org.uk g8@dosummat.org.uk*

11 Norwich's 2nd annual anarchist bookfair. 10 am to 7pm 07941 657485.

11 Reclaim The Future III Party with your politics: Live bands, Sound Systems, Cabaret, Cinema, 8pm till very late.

11 Pride in Canterbury. Gay pride parade and party in Canterbury Kent 12 noon Westgate Gnds for Parade, then picnic/stalls in the Dane John Gdns.

11 National Demo at EDO. Defend the right to protest and the right of Iraqis not to be bombed. 12 noon The Level, Brighton.

11 Critical Mass ON the Streets! Off Sheffield! 8:30am meet Devonshire Green, join the Anti War Demo on the same day *www.sheffield.dissent.org.uk*

12 Wandle Valley Festival. Ecology and heritage activities for all ages: 0870 714 0750 *www.wandlevalleyfestival.org.uk*

14 In support of Refugee Week and Slough's refugee community. Ozric Tentacles, 8pm-Midnight, Vikram's Occasions Palace, 15 - 23 Church Street, Slough, Berkshire SL1 1PL 07910 332684

18 Community Action Gathering Oxford House, Bethnal Green Rd., London E2 12 noon-6pm 0208 374 5027 *info@hackneyindependent.org*

18 Realfood - The Heart of England Vegan Festival. Stalls, food, speakers. 9.30am - 5pm. Birmingham Acadamy, FREE. 0845 458 0146, *info@veganfestivals.org.uk, www.veganfestivals.org.uk*

18-19 Leamington Peace Festival *www.peacefestival.org.uk*

29 'Iraqi Petroleum Conference: Corporate Pirates action outside conference. www.radicalactivist.net/corporateiraq

july

2-8 Anti-G8 protests, across Scotland and UK. See back page for full details.

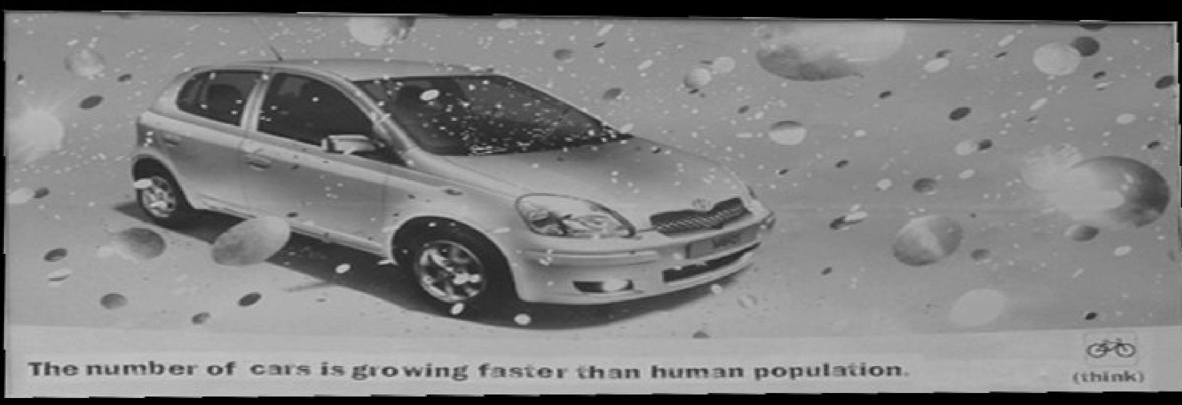
4 Big Blockade at Faslane nuclear submarine base. *www.trident-ploughshares.org*

15-18 International Animal Rights Gathering 2005. AR2005, BM Box 2248, London WC1N 3XX.

23 The Freedom March and Rally to oppose monkey vivisection laboratory Meet at 12 noon, Oxpens Park, Oxpens Rd, Oxford, OX1 1RX. 07906 497 317 **www.speakcampaigns.org.uk** Speak PO Box 6712

29-31 Hazards 2005 Campaigning & building workplace organisation. Build a campaign for better regulation, tougher enforcement, corporate responsibility University of Leeds 0161 953 4037 *www.hazardscampaign.org.uk*

subvert of the month



Toyota advert, subvertised to become a pro-bicycle advert!

LONG LUNCHES, DRINKS AND DINNERS:
THE SECRET OF SUCCESSFUL PUBLIC RELATIONS

Editors of the Sun have long maintained a very cosy relationship with Downing Street, as confirmed recently by David Yelland, former editor of the Sun and now Senior Vice Chairman of Weber Shandwick UK. Indeed the secret of great media manipulation is the personal touch. Improving the reputation of the Metropolitan Police, he said, was due to 'long lunches, drinks and dinners'.

His revelations were given at this year's annual 'PR and the Media Conference', organised by *PR Week* magazine, which took place in the plush surroundings of the Dorchester Hotel on Park Lane on 23rd March 2005. Getting press passes to PR conferences is no simple matter, but with perseverence and the NUJ on our side, Corporate Watch was there.

Yelland seemed uncomfortable giving his talk, perhaps because the previous speaker Andrew Gilligan, of David Kelly/Hutton Inquiry fame, had taken every available opportunity to denounce the 'bullies and liars' of the tabloid press. Other highlights included talks by Dylan Jones, editor of best-selling men's magazine GQ, and the PR confessions of John Godel of Independent Radio News, who gave some idea of just how much of our news is really planted public relations material.

Unlike some journalists speaking at the conference, Dylan Jones has a very favourable attitude to PR, 'In many ways being a PR in this day and age is far more dignified than being a journalist,' he suggested. And he loves celebrity product endorsement. 'I'd be a mug not to be interested in a Ford Focus driven by a celebrity', because to him 'there are only two thriving arts - advertising and publicity'. It's perhaps unsurprising then that so much of his magazine is sourced from PR agencies; 'There are 155 pages in GQ, 88 pages generated by PRs,' he said.

Perhaps we should not be surprised that a publication as ruthlessly commercial as GQ recycles so much PR material, but the revelations of Jon Godel, editor of Independent Radio News (IRN), were more disturbing. IRN is like ITN for radio; it provides 22 news bulletins per day to 273 radio stations across the UK, including Classic FM and Capital. It reaches 23 million adults each week. If your message is part of IRN, 'then you've got into people's lives,' he said. When asked how much of the content of IRN's bulletins is PR-sourced he said, 'I could say 90% of news was generated by PR - we all fall for it because we want to. There's no-one from Media Guardian here, is there? But, OK, forty percent of news is directly related to PR campaigns.'

THE G8 SUMMIT: BETTER LIVING THROUGH CORPORATE RULE?

The G7 was established in 1976 with the stated objective of stabilising the world economy. Providing a stable framework for global economic growth is still the main priority for the G8 today. With corporate control over the democratic process reaching unparalleled levels in all the G8 countries, what this 'stability' increasingly means in policy terms for the G8, is making life easier for transnational corporations.

Whatever their differences on some policy issues, all the G8 leaders embrace neo-liberalism, AKA the 'Washington Consensus': the breaking down of all barriers to corporate trade and investment, based on the belief that private companies and market systems always find the most efficient way to share out resources. This consensus was designed during the 1970s to break the power of governments in the global South, many of which had adopted central economic planning to reduce dependence on the old colonial powers. It was also intended to crush social movements in the North, such as trade unions. At the same time networks, such as the World Economic Forum (WEF) and Trilateral Commission, were set up to co-ordinate corporate and government interests. Meanwhile, existing institutions such as the International Monetary Fund (IMF) and World Bank also became agents for global privatisation and de-regulation, with the G8 governments controlling over half of the votes at World Bank and IMF meetings.

Since 1995, corporate leaders have been increasingly involved in the G8 summits. From 2000 they have worked with governments and other groups to manage G8 initiatives such as the Digital Opportunities Task Force (Dot Force), the Renewable Energy Task Force and the Global Health Fund. Before the the 2003 Evian G8 Summit, six powerful international business organisations - including the International Chamber of Commerce (ICC) and European Round Table of Industrialists (ERT) - united for the first time to issue a joint statement pressuring the G8 to keep to the free-trade commitments of the Doha World Trade Organisation meeting of 2001. The statement also lobbied against the regulation of corporate behaviour and for the promotion of technology, in particular biotechnology. As a key player in coordinating the global economy, the Paris-based ICC has been eagerly invited into the G8 process. The president of the G8 (i.e. Tony Blair this year) always meets the ICC chair on the eve of the Summit. In 2005, the ICC chair is Yong Sung Park, head of the virulently anti-union South Korean construction company, Doosan Heavy Industries, which builds power plants including nuclear energy facilities.

The G8 rhetoric for 2005, as it focuses on Africa and climate change, has been loaded with phrases such as 'sustainability' or 'political freedom and rising prosperity'. However, on closer scrutiny, we can see that the years of the Washington Consensus have brought us a world dominated by a widening gap between rich and poor, environmental destruction, and less, not more, political freedom. The G8's solution to these evident problems seems to be to call on corporations to cure the diseases that they themselves have created.

GLASGOW'S SOUTHSIDE FACES MOTORWAY THREAT

Construction is scheduled to start this summer on Britain's biggest new roadbuilding scheme: the M74 northern extension in Glasgow. Costing at least £500 million and due for completion in 2008, the proposed route includes businesses, historic buildings and council estates in Glasgow's southern suburbs.

One MSP has described it as a 'five-mile, six-lane monster defacing Glasgow' . Despite the March 2005 negative report of the Scottish Executive's year long Public Local Inquiry (PLI), the Executive has nevertheless announced its decision to go ahead with the road.

Arguments in favour of the road focus on supposed economic and environmental benefits: creating jobs, providing 'regeneration' and easing congestion. However, according to the results of the inquiry, the M74 extension would provide only a temporary reduction in congestion, one soon outweighed by increased traffic - the road 'is expected to increase vehicle trips in the Glasgow area by a further 1.5-2.5%', and carbon dioxide emissions would also increase by 135,000 tonnes a year (an increase of 5.7% in the study area). For local residents the road will mean more noise, fumes and a barrier cutting through their community - commuters will be the only real beneficiaries. The inquiry also suggests that the road will make public transport connections to the area worse, increasing social exclusion. Additionally, most jobs created are likely to be short term or taken from other areas of Scotland, thus relocating the problem of unemployment rather than solving it.

The report concludes:

'[L]ooking at all the policy, transport, environmental, business, and community disadvantages of the proposal as a whole, it must be concluded that the proposal would be very likely to have very serious undesirable results; and that (in the context of the advice in the SACTRA report, the transfer of jobs from other parts of Scotland, and the potential harm to existing businesses along the route) the economic and traffic benefits of the project would be much more limited, more uncertain, and (in the case of the congestion benefits) probably ephemeral. ...Accordingly, on the basis of the consideration of the material put forward by objectors, the TRA, and those who support the project, the conclusionis that this proposal should not be authorised, and that the compulsory purchase order should not be confirmed.'

It is widely believed that the decision to build the road was taken before the inquiry began. There has been extensive lobbying in favour of the road, principally from business groups. The Confederation of British Industry (CBI), Chambers of Commerce and various business including BAA, which owns Glasgow airport, have all been cheerleading for it. A group calling itself 'Complete to Compete' was formed, chaired by the Chief Executive of the Glasgow Chamber of Commerce, Duncan Tannahil. In 2003 Mr Tannahill stated that 'this inquiry must not be allowed to delay the start of work by even a day.' The CBI, another key member of the group, has made repeated statements in favour of the scheme, in 2000 classifying it among their 'transport priorities for business'. When the Scottish Executive announced its intention to build the road, the CBI, AA, RAC and various prominent local businesses all issued statements in support of the decision .

The Scottish Executive is also considering a new piece of legislation to scrap public inquiries entirely in cases that are considered to be of 'national strategic significance'. Campaigners are worried that this legislation will be used to push through unpopular projects such as nuclear power stations and other road schemes such as the Aberdeen Western Bypass. Prescott tried and failed to pass a similar piece of legislation in England in 2001. The Scottish Executive, and in particular First Minister Jack McConnell, have been repeatedly criticised for listening to corporate lobbyists rather than the people who they allegedly represent. While this legislation will give most people less of a say in what gets built on their doorsteps, it is likely to work rather well for businesses.

For construction contracts, the route is split into three sections. Currently one of these only has two consortiums bidding, although three is generally the legal minimum . It is possible that potential contractors are put off by the contaminated land on parts of the route; or maybe they are worried about having to deal with protesters. It has not yet been ruled out that the road will be built and managed under PFI contracts.

Groups such as Joint Action on the M74 (JAM74) and Transform Scotland have suggested various other ways to deal with the congestion problem, such as improving public transport (especially relevant as 59% of Glaswegians do not have access to a car) and putting no-car lanes on the M8, and campaigners are still hopeful that the road can be stopped. JAM74 and FoE Scotland are lodging a legal objection to the scheme; having the results of the inquiry in their favour means a moral victory if not a physical one. Within hours of the decision to build the road being announced, over 100 people had pledged to take nonviolent direct action to stop it. Scotland has a strong history of anti-road campaigns, such as the Pollock Free State, a long-lasting campaign against the M77 (which cut through a large area of public land including some ancient woodland), in which protesters occupied the site. Or perhaps people should look to the M11 link road campaign (Claremont Road), in which protesters occupied houses that were due for demolition. After the farcical planning process, for a lot of people this campaign is about restoring democracy as well as preventing a road from being built.

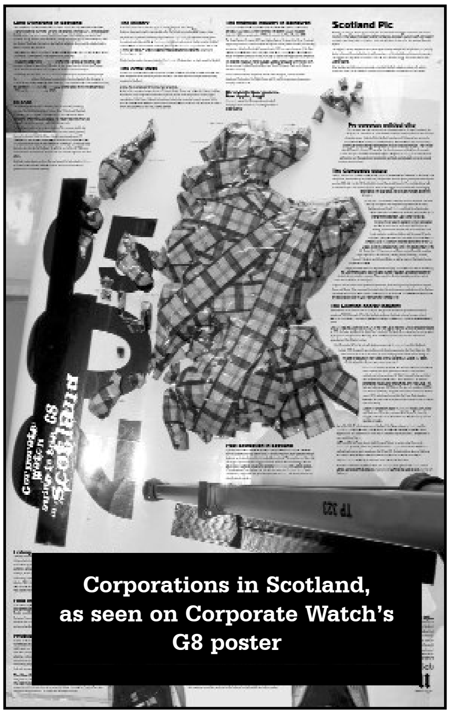
Cre8 Summit

Cre8 Summit plans to present a positive alternative to the way the G8 Summit operates by working together to cre8 something positive in one of Scotlands poorest communities by working with the Glasgow Southside community to turn an area of derelict land scheduled to be used for the M74 into a garden and social space that the whole community can enjoy.
May - questionaires, leaflets and public meetings in the community
June - take the land for as long as the community want/can defend it.
http://www.dissent.org.uk/content/blog-section/20/
Email - *cre8summit@riseup.net*
Phone - 07981 954132

SCOTLAND PLC:

THE SCOTTISH EXECUTIVE'S CORPORATE LINKS

The Scottish Parliament does not have a lot of power: it has no powers over defence or international trade, for example. It cannot vote to get rid of Trident or to introduce import tax regimes that would harm corporate interests. Its main powers cover areas such as health, education, justice and rural affairs. Nevertheless, corporate lobbyists still find it worthwhile to swarm around the Scottish Parliament in an attempt to secure meetings with MSPs, to influence Scottish public spending in their favour and to keep polluting Scotland without major penalties.



Corporations in Scotland, as seen on Corporate Watch's G8 poster

In 1999, the Scottish Executive was rocked by the 'Lobbygate' scandal. A reporter for the Observer, posing as a representative of principally American investors, gained the assurance of public relations firm, Beattie Media, that they could arrange access to senior government figures to discuss PFI projects. Jack McConnell had been employed by Beattie Media to help set up its lobbying arm before entering the Scottish Parliament and his PA was an ex-member of Beattie's staff. The company's lobbyists claimed to be able to put appointments in his diary through her. Another of Beattie's lobbyists was Kevin Reid, son of Secretary of State, John Reid.

The incestuous relationships between the Scottish Parliament and corporations extends beyond external lobbying. Take the corporate swamping of cross-party policy discussion groups that meet within the Scottish Parliament. The 'Oil and Gas group', including 17 MSPs, includes sixteen industry lobbyists, two representatives from Scottish Enterprise (the government agency promoting Scottish business), one from Aberdeen city council and two from government-funded Energywatch - the group contains no representatives from citizen's organisations.

The Scottish Parliament has been mired in controversy around the awarding of the multi-million pound contracts for Scotland's new Holyrood parliament. The work, now said to cost around £431m, has run several hundred million pounds over budget. In the tendering process, it remains unexplained why civil servants went for a bid by construction firm Bovis which was around £1.5m higher than the lowest bid, and arguably the highest bid of all. Bovis was also allowed to change the basis of its tender after the final bids had been submitted, an opportunity the other bidders were denied.

Meanwhile McAlpine, which saw its bid rejected, has pledged to sue Parliament for millions of pounds in damages over an alleged breach of European rules in awarding the contract. With the 60 or so other contractors also likely to sue, even more money is likely to flow from public funds to big business. The two main civil servants implicated in the questionable conduct of the project are still in high-level posts. The Scottish Executive has seen further controversy over its dependence on corporations. Since its creation, business representatives have had access as secondees to the Executive and civil servants have been seconded outwards to the private sector. Companies involved include the biggest Scottish and transnational corporations, with inward secondments from ScottishPower, Stagecoach, Ernst and Young and PriceWaterhouseCoopers, and outward to Lloyds TSB Foundation, ScottishPower and Scottish and Newcastle.

First Minister Jack McConnell himself has faced numerous allegations of corporate sleaze and spin, from accepting gold cuff-links from fish farm baron Marine Harvest, to his close relationship with BBC newscaster, Kirsty Wark, with allegations that he hindered an official inquiry into her production company after it received large amounts of money from the Scottish Executive, and that he twice spent Christmas at her Majorcan villa without declaring it in the MSPs' register of interests. In 2004, McConnell faced sleaze allegations after it emerged that the company given the £1.75bn contract to run Scotland's rail services, FirstGroup, had employed two former spin doctors for the Scottish Labour party as lobbyists. The lobbying company, Greenhaus Public Communication, which denies there was any impropriety in the awarding of the contract, was founded by Chris Winslow, a former special advisor to Donald Dewar, the previous First Minister. Nicolas Stephen, the transport minister, was also a consultant for FirstGroup before becoming an MSP.

SCOTTISH ENTERPRISE

Scottish Enterprise is Scotland's main economic development agency, funded by the Scottish Executive. Its new chair, and Scotland's highest paid quangocrat, is Jack Perry, former head of the Confederation of British Industry (CBI) in Scotland. Like his predecessor, Robert Crawford, Perry has also held a senior position at Ernst and Young. Scottish Enterprise has been accused of having a love affair with biotechnology. This accusation doesn't seem totally unfounded considering that its International Advisory Group includes Hugh Grant, the President and CEO of Monsanto; the chief executive of pharmaceutical giant AstraZeneca, and the senior vice-president of Genzyme Corporation biotechnology and pharmaceutical company. At the end of the 1990s, Scottish Enterprise launched a Framework for Action, which committed the Scottish tax payer to injecting nearly £64 million between 2000 and 2004 into the development of 'biotech customers'.

CLIMATE CHANGE

Tony Blair has announced that climate change and development in Africa will be the main themes of his presidency of the G8, and hence of the 2005 Gleneagles summit. However, if Blair and the G8 were serious about helping Africa and tackling climate change, the first thing they would do is systematically examine the impact of their oil corporations in Africa and stop subsidising such oil operations under the guise of 'development' grants.

Oil and the G8 governments

The UK and the other G8 countries cannot move against climate change in a serious way, as this would involve challenging their dependence on oil. One of the key recommendations of the World Bank's Extractive Industries Review (EIR) was a 'phase-out of fossil fuel funding by 2008', which, if implemented, would have been a first step in redressing the subsidies given to fossil fuel development. The Department for International Development, as the UK's representative, argued against this recommendation

Blair doublespeak

In 2001 the UK government announced £100 million extra funding to support the pledge that 10% of the UK's electricity would be generated from renewable sources by 2010. Simultaneously it was giving full support to new oil and gas developments, such as BP's Baku-Ceyhan Pipeline. This oil and gas extracted and transported will release 177 million tonnes of carbon dioxide into the atmosphere, ten times the amount saved by the renewables programme. By 2020 Britain's airline industry is forecast to be producing 12% of the UK's carbon dioxide emissions, while aircraft are globally predicted to contribute up to 15% of global warming from all human activities within 50 years. Instead of tackling the root of the problem and increasing spending on public transportation or taxing aircraft fuel, worldwide money is being put into airport expansion and improving the service routes to airports.

Renewable energy

In July 2000, the G8 leaders agreed to set up a RenewableEnergy Task Force with a remit to identify actions that can be taken to promote change in the supply, distribution and use of renewable energy in developing countries. In a press release at the time, Greenpeace rightly pointed out that the barriers to mainstreaming renewable energies were political and financial, not technical, estimating that it would take an investment of $660m to make solar energy competitive - about 0.5% of the $89bn spent by oil companies on exploration and production in 1998 alone. For all the talk of technological solutions, there is no golden fuel to replace oil. The only consistent way forward is to develop technologies which do not rely on fossil fuels and which are just, sustainable,appropriate, and which do not produce hazardous or toxic waste (unlike nuclear energy). We also need to severely cut energy consumption in rich countries. Energy efficiency can produce savings of 10-50%; wind power, in combination with a full range of renewable energy technologies, such as wave and solar, could then meet electricity needs; while localising production and sustainable and efficient public transport would cut our oil dependence even further. Moving in this direction requires an end to political and financial support for the oil industry, revoking its social licence to operate, in order to begin building an oil free future. The lies of the climate sceptics and Blair's rosy-tinted 'everybody-wins' techno-fix dreams must fall along the way.

The G8 countries produce around 47% of all global CO2 emissions. Government support for the oil industry is a key characteristic of oil production worldwide. Most of the world's top twenty oil companies are based in G8 countries, and all have close links with government, both formal and informal. As far as ecological footprints go, oil companies are stomping Godzillas. According to a report by Friends of the Earth, by 2002 ExxonMobil's emissions alone had contributed up to 5.5% of total carbon dioxide concentrations above pre-industrial levels. As a result, the company is responsible for up to 3.7% of total attributable temperature change since 1882.

France	**Total (formerly TotalFinaElf)**
USA	**ChevronTexaco, ExxonMobil, ConocoPhilips**
Russia	**Lukoil, Yukos Oil (recently renationalised),7 TNK (50% owned by BP), Gazprom, Sibneft.**
UK	**BP**
UK/Netherlands	**Royal Dutch Shell**
Italy	**ENI (some parts of the company trade as Agip)**
Canada	**PetroCan**

Oil developments need money as well as the security and backing of western governments and international financial institutions such as the World Bank Group (WBG) and International Monetary Fund (IMF). Since 1992 the WBG has provided $11bn of finance for fossil fuel projects around the world, including $4bn for oil projects - 82% of which were designed for export to western countries. The G8 countries exercise powerful influence on the WBG, with the USA (16.41%), Japan (7.87%), Germany (4.49%), the UK (4.31%) and France (4.31%) making up 37.39% of the shares and each electing their own executive director to sit on the 24-strong board deciding which projects receive finance.

AFRICA

At the 2001 G8 summit in Genoa, the world leaders announced the creation of the Africa Action Plan (AAP) - dubbed a 'Marshall Plan for Africa' by the media. This was an implicit suggestion that these governments were going to rebuild Africa in the same way that, after the Second World War, the U.S. rebuilt a shattered Europe (in a programme outlined by Secretary of State George Marshall). The story was wearing thin by 2002, with the lavish promises unfulfilled and very little cash actually pledged by G8 countries to the AAP, causing celebrity campaigner Bob Geldof to declare himself 'sick of them all'. Crucially, however, he singled out Tony Blair as one of the few leaders who really wanted to press on with the AAP.

The 2005 summit is Blair's opportunity to earn himself the reputation of a pioneering world statesman through his Commission for Africa (CFA), launched in February 2004. Unfortunately for Africa, the CFA report (March 2005) sees corporations as Africa's only salvation. It recommends investing G8 and African money in public-private partnerships, to build the infrastructure that will turn Africa into a single free market economy attracting foreign investment and trade.

The CFA has closely consulted corporations, setting up a "Business Contact Group" comprised of leading investors in Africa and African businessmen. Its programme was managed by a senior Shell employee and the Commonwealth Business Council (CBC).

Shell hosted the meeting between the CFA and corporate leaders in February. Since the CFA report, 'Business Action for Africa' has emerged - a well-organised corporate platform for lobbying the G8. Its first meeting, again hosted by Shell, was sponsored by some of Africa's worst exploiters - Anglo American, Rio Tinto, De Beers and Diageo, hosts of this year's G8 summit (see page 10).

'Business Action for Africa' is also the title for this year's G8 Business Summit (London, Barbican centre, 5-6 July 2005), organised by the CFA and CBC. Ex-Shell boss Sir Mark Moody Stuart. The event will end with a 'declaration and message to the G8 leaders' who already have their ears wide open.

THE CORPORATE ASSAULT

Nigeria

Chevron is currently being sued in the US federal court for violations of international human rights law relating to its involvement in the deaths of unarmed civilians in Nigeria who were protesting against environmental damage caused by Chevron subsidiary, CNL.

A 2004 report from Christian Aid indicates that Shell still fails to quickly clean up oil spills and runs 'community development' projects that are frequently ineffective or even widen divisions within and between communities living around the oilfields.

Chad-Cameroon

The Chad-Cameroon pipeline has been mired in corruption, starting with $4.5 million of money being diverted to buy arms for Chad's government. The pipeline is being built by Chevron, ExxonMobil and Malaysian company Petronas, and funded by the World Bank. Cameroon's government has been listed by Transparency International as the most corrupt in the world for the second year running; revenues from oil development are largely unaccounted for.

Sudan

The large-scale exploitation of oil has increased human rights abuses in southern Sudan and exacerbated its long-running conflict. Amongst the companies operating in Sudan was Canada's largest independent oil and gas producer, Talisman Energy Inc, which is subject to a $2bn court action under the Alien Tort Claims Act for aiding and abetting the Sudanese government's ethnic cleansing. Talisman sold its Sudanese assets to an Indian company in 2002.

Highlighted by Human Rights Watch for its involvement in Sudan is the International Petroleum Company (IPC), a wholly owned subsidiary of Swedish company Lundin AB, which has offices in Aberdeen. Lundin also pulled out of Sudan in June 2003. BP and Shell are involved through their holdings in two China National Petroleum Corporation (CNPC) subsidiaries, PetroChina and Sinopec. Other UK companies directly involved in multi-million-pound contracts in Sudan include Rolls Royce (engines for the pipeline and engineers) and Weir of Glasgow (pumping stations).

Angola

Despite full-scale military operations and widespread human rights abuses in the oil rich region of Cabinda, the oil companies, led by ChevronTexaco, keep up their normal pace of activities, simply helicoptering staff in and out. The Angolan government's grip on power is dependent on oil revenues which account for more than 80% of the country's income. Global Witness estimates that $1.7 bn a year disappeared from Angola's oil funds between 1997 and 2001, and accuses Western oil companies of giving secret bonuses to the state oil company

Equatorial Guinea

'As far as Equatorial Guinea is concerned, we've had no problems there. Africa's been a great place to do business. We've never missed a day's production'. Tullow Oil quoted in Aberdeen Press and Journal, September 14th 2004.

President Teodoro Obiang presides over what has been called a 'completely criminalised state', facing charges of corruption, human rights abuses and political oppression, after a coup swept him to power in 1979. Companies operating in Equatorial Guinea with a base in Scotland include massive US oil corporation Amerada Hess and Tullow Oil, an independent oil and gas company headquartered in London and Dublin. In May 2004, it acquired Energy Africa Ltd, thus gaining fields in Equatorial Guinea, Congo-Brazzaville and Gabon.

Congo-Brazzaville

Despite being the fourth largest oil producer in sub-Saharan Africa, Congo-Brazzaville has already been saddled with $6.4bn (£3.4bn) in overseas debts as a legacy of French company Elf Aquitaine's (now part of Total) strategy of influence peddling, bribery and obscure off-shore deals.

UK AID: TEACHING TANZANIA TO WANT WATER PRIVATISATION

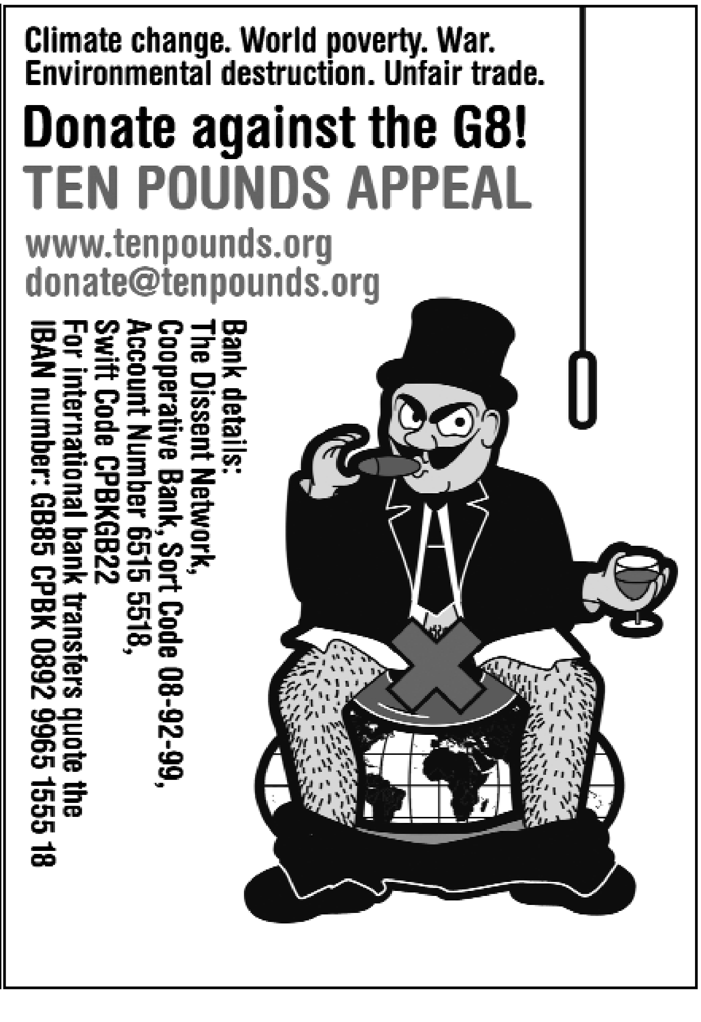
'Young plants need rain, businesses need investment. Our old industries are like dry crops and privatisation brings the rain. When the harvest comes, there is plenty for everyone.'

Not exactly catchy is it? This is a pop song used by the Tanzanian authorities to promote water privatisation. Produced by Adam Smith International, a London-based consultancy firm, and paid for with £270,000 of UK aid money. In late May, the water privatisation project that was supposed to 'bring the rain' in Tanzania collapsed and the British company, BiWater, which was part-running the water system in Dar es Salaam, has been kicked out. This is the sorry saga of a failed water privatisation programme that has the sticky hands of the UK government and UK plc all over it.

Since 1998, the UK government has spent over £9.5million, taken from the aid budget, promoting privatisation in Tanzania. Adam Smith International has received over £1.3million from the World Bank to do the same. Severn Trent Water International were the primary advisers to the Tanzanian government on the water privatisation. BiWater, a Dorking-based company, which together with German company Gauff Ingenieure has a 51% stake in the failed water provider in Dar es Salaam, was given the contract as the only company left standing in the bidding process. To top it all, the UK government's Export Credit Guarantee Department has insured BiWater to the tune of £2million, in case of contract cancellation!

Unfortunately, this is a common story when it comes to water privatisation projects in developing countries. The World Development Movement's new campaign, 'Dirty Aid, Dirty Water', lists countless examples of British consultancy companies and British water utility companies benefiting from UK aid money by pushing water privatisation in developing countries, which has time and time again proved to be a failed solution to the global water crisis. From Bolivia and Argentina to the Philippines and South Africa, local communities are resisting the privatisation of their water supplies and the inevitable price rises that follow. With regards to water and sanitation the UK government says, 'We need to focus on what works, rather than on ideological debates.' However, the World Bank and International Monetary Fund continue to pressurise developing countries to implement trade liberalisation policies like water privatisation in order to qualify for debt relief and further aid, and the UK government follows this lead. By using 'technical assistance', the UK's Department for International Development (DfID) can provide consultancy 'advice' on water privatisation to poor countries. By channelling huge amounts of aid through the World Bank, including into mechanisms that only fund private sector initiatives, DfID continues to waste precious aid money on private sector water projects. Ninety five per cent of clean water around the world is supplied by the public sector; yet the government continues to pump aid money into the pockets of British companies to promote privatisation.

Vicky Cann, Campaigns Policy Officer, World Development Movement



HYDRATING THE G8

The G8 Summit is keen on bottled water, if the location of its summits is anything to go by. The 2003 Summit was held at Evian, home to French company Danone's major brand. This year the Summit takes place close to the source of the water for Highland Spring.

Meanwhile, the UN estimates that 1.2 billion do not have access to safe drinking water, and the big four water bottling companies are seeking to deepen their control over this essential resource, depleting the water sources for local communities, and flying thousands of tonnes of water around the world at great cost to the climate. The global water market is currently worth $46 billion, dominated by food giants Nestlé and Danone and soft drinks companies Coca Cola and Pepsi Co. The industry is growing at 20% a year and is set to take over carbonated soft drinks as the world's number one beverage, while the big four water bottling companies are seeking to buy up smaller bottlers across the globe.

Squeezing communities dry

All four of the big bottlers have come under attack by local communities for depletion of local water sources:

In Worcestershire, **Coca Cola's** plan to increase its extraction of Malvern hills spring water from 2.6 million gallons a year to 11.3 million gallons were frustrated by community opposition. In December 2004 the company withdrew plans to construct a borehole and a 1.7 mile underground pipeline. Campaigners complained this would bleed the source dry, have a damaging impact on local ecosystems and disturb an area of outstanding natural beauty.

In Sao Lorenço, Brazil, **Nestlé** has been accused of drying up a historic source of mineral water, drilling without the proper authorisation, building a factory on a water park without permission and illegally de-mineralising the water. In October 2004, Nestlé was forced to close its Sao Lorenço plant. In the US the company has faced opposition in California, Florida, Maine, Michigan, Pennsylvania, Texas and Wisconsin .

In Klaten, Indonesia, **Danone** subsidiary PT Tirta Investama is accused of draining wells; major local conflict has been stoked as farmers compete for access to water. The farmers began a campaign against the company and have been successful in stopping two further plants from being built, but have not been able to stop Tirta's extraction.

Coca Cola and **Pepsi Co** have both faced major opposition in India, where they hold a large share of the bottled water and soft drinks markets. Communities across India are experiencing severe water shortages as a direct result of Coca Cola's extraction of groundwater sources. Whole river systems, such as the River Bhavani in Tamil Nadu state, have been sold to Coca-Cola, despite severe droughts in the region . In Plachimada, Southern India, the Coca Cola bottling plant has been shut down for over a year as a result of community action. Similarly Pepsi's plant in Pudusseri, where people in the surrounding area had faced serious water scarcity, had its license to operate removed by the local 'panchayat' (people's council) .

The bottled water scam

In the UK we drink around 2 billion litres of bottled water a year, ten times more than we did in 1988. Why is this, when bottled water costs around 1,500 times as much as tapwater? As one market analyst said, 'At the end of the day, water is water, and you need innovation.' Once primarily a fashion accessory, bottled water is now a mainstream product; advertisers dwell on the supposed health benefits of bottled water, ensuring that 'drinking bottled water is increasingly being recognised as the natural way to rehydrate' (Highland Spring). However, studies across the board have shown that there is no evidence that bottled water is healthier or purer than tap water. Regulatory standards for tap water are much tighter than those for bottled water, and a number of public health scares and academic studies have highlighted fact that bottled waters containing contaminants can get onto the marketplace. The US National Resources Defence Council produced a detailed study of 103 bottled water brands and found serious bacterial and chemical contamination problems in 22% of the brands. More recently a Dutch study found bacteria or fungi contaminants in 40% of the 68 brand waters it sampled from around the world. Coca Cola was forced to withdraw its newly launched Dasani line after it emerged that the water came out of a Sidcup tap and contained excessive quantities of the carcinogen bromate.

Nowadays the complex process of transforming water into water, bottling it and selling it at a hugely inflated price isn't enough to stay competitive in the bottled water marketplace; companies are now marketing so called 'aquaceuticals' or 'fortified waters', such as Danone Activ, containing extra minerals or oxygen to increase the 'health benefits'. Scientists are sceptical about the health claims of these new products.

WHO OWNS WHAT?
Nestlé: Buxton, Vittel, San Pellegrino, Perrier, PowWow.
Danone: Evian, Volvic, Danone Activ'.
Coca Cola: Malvern water.

Thanks to Tony Clarke of the Polaris Institute and author of Inside the Bottle: an Expose of the Bottled Water Industry, for advice. Polaris' report is available from *insidethebottle@polarisinstitute.org.*

THE ALCOPOP SUMMIT

During the G8 summit in July, as Tony Blair beds down in the Gleneagles Hotel, owned by drinks company Diageo, is he aware that his host is accused of forcing products into the African market, undermining labour rights and lobbying for free trade? Well, yes. As we see, Diageo is the very model of a modern Neo-Liberal, New-Labour company...

Diageo PLC is a British multinational alcohol company, created in 1997 by the merger of Guinness PLC with Grand Metropolitan PLC (GrandMet). It has strong links to the Labour government through one of its directors, Lord (Clive) Hollick, an active Labour Party member who was a founding trustee of the Institute for Public Policy Research (IPPR), a 'centre-left' think-tank that has been very influential on New Labour's policies. His work at the IPPR included establishing the IPPR's Commission on Public Policy and British Business, which reported in 1997 and claims to have been 'subsequently influential in setting Labour's business policy for its first term.'

In worker relations Diageo follows the New-Labour idea of there being no conflict between the company and its staff, favouring a system of 'partnerships', that the UK Department of Trade and Industry (DTI) and the Involvement and Partnership Association (IPA) both refer to as a means of increasing 'competitiveness', and the ability to 'manage change effectively'. Change being a euphemism for insecurity and instability. In July 2004, when Diageo announced it was cutting 60 jobs in Glasgow and Edinburgh, a spokesperson for the company said that they hadn't consulted with workers over the move because they 'operated in a non-unionised environment'. Guinness Nigeria sacked 500 workers in February 2005; unions claimed that the company's objective was to replace permanent contracts with casual ones, and that major redundancies in 1992, 1995 and 1997 had all been followed by hiring casual workers.

Diageo enjoys huge economic clout in many areas of Africa: the continent provides 10% of its annual profit and is an area of 'phenomenal growth'. Since national industries were privatised and opened up to foreign capital, the alcohol market has been more or less carved up between Guinness, Heineken and South African Breweries. The real competition for Diageo is often not rival corporations but home brewers. Across Africa, beer is traditionally brewed from millet, maize or cassava as a small scale commercial enterprise, often by women. Diageo's recent 'Corporate Citizenship Report for East Africa' features a virulent attack on unbranded alcohol, which, it claims, can pose severe 'health and social risks'. However a report by ICAP, an organisation sponsored by Diageo, reported that so-called 'illicit' brew is generally safe and of good quality, as well as providing an important boost to the household and local economy.

In Africa and across the world, breweries are frequently listed among the worst pollutants and biggest consumers of water. A report into water pollution in East Africa held Tanzania Breweries (partly owned by Diageo) largely responsible for the fact that the Msimbazi River was so polluted as to be 'practically devoid of life.' In Malaysia, however, Diageo has been sponsoring educational handbooks on integrated river mouth management, a gesture which, interestingly enough, came after the company had been fined for discharging effluent into inland water in the area.

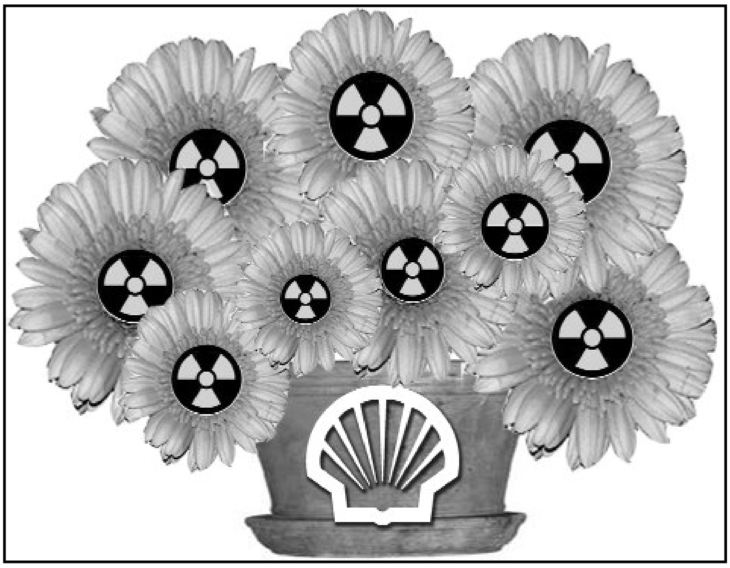
In 1998 Diageo was involved in negotiations for the Multilateral Agreement on Investment (MAI), an attempt by multinational companies to secure agreement from the Organisation for Economic Co-operation and Development (OECD) for increased investment rights and the opening up of 'free trade'. Although the agreement was defeated by a world-wide coalition of groups opposed to the serious social and environmental consequences it was expected to have, Diageo's hosting of the upcoming G8 summit represents another chance for the corporate lobby to get their feet under the table; this is especially easy when they own the table, hotel and surrounding countryside.

Diageo's key brands include:
Whiskey: Bell's, Johnnie Walker, J&B, Black and White, Haig, Spey Royal, White Horse, VAT 69, Buchanan's, Dimple, Old Parr, Windsor Premier, Seagram's 7 Crown, Seagram's VO, Crown Royal Canadian Whiskey
Single Malt Scotch Whiskeys: Cragganmore, Glenkinchie, Oban, Distillery Malts, Hidden Malts, CARDHU
Vodka: Smirnoff, Ciroc, Tanqueray Sterling Vodka
Gin: Gordon's, Tanqueray (US market leader in imported gin), Gilbey's Gin
Rum: Captain Morgan (UK market leader in dark rum), Cacique, Brandenburg, Pampero, Myer's Rum
Brandy: Bertrams VO Brandy
Liquers: Bailey's, Romana Sambuca, Safari
Schnapps: Archers, Rumple Minze, Goldschlager, Black Haus
Tequila: Jose Cuervo, Don Julio
Pimms
Alcopops: Smirnoff Ice, Archer's Aqua, Bailey's Glide, Ruski, UDL
Beer: Guinness, Harp, Kilkenny, Tusker, Smithwicks, Red Stripe
Wine: Sterling Vineyards, Piat d'Or, Periquita Wines, Justerini & Brooks, Casillero, Blossom Hill, José de Sousa, Baron Philippe, Barton & Guestier, Beaulieu vineyards
Champagne: Dom Perignon
With Moet-Hennessey: Henessey Cognac, Moet Chandon

ATOMIC WASTE AT THE BOTTOM OF THE GARDEN: *CORPORATE WATCH FOLLOW UP*

Britain holds hundreds of thousands of cubic metres of lethal radioactive waste. The stockpile of plutonium alone totals 4300 cubic metres. More than once plutonium has been known to go missing from Sellafield. But very rarely is plutonium found again.

So what happens when anomolous levels of plutonium are discovered in a back garden in suburban middle England, apparently having escaped from a site owned by a well-known multinational with documented links to the nuclear industry? Answer: absolutely nothing.



Raymond Fox's life has been wrecked by chemical and radioactive pollution leaking from a former Shell petrochemicals depot behind his old home in Earley, Reading. Since being made critically ill by the pollution, three surveys of the property have been conducted by independent scientists. Two were conducted by Dr Kartar Badsha on behalf of Fox's insurers, Royal Sun Alliance and one by Dr Chris Busby of the Low-Level Radiation Campaign. All three investigations found levels of radioactive contaminants far in excess of background levels. Both scientists considered them major long term hazards and recommended a full investigation of the area. Fox's own investigations indicate that nuclear materials were stored on the site, possibly including a small reactor, and that the site caught fire in 1986, distributing radioactive materials across the area.

Fearful of a cover up Fox has imposed a condition on the Environment Agency's testing of his land: that each sample should be split in two, with one going for independent analysis. The Agency refused this condition and had their consultants, Harwell Scientifics, test the garden next door. This test found only normal levels of radioactivity. On this evidence DEFRA (the Department of the Environment, Food and Rural Affairs) decided to do nothing.

A Clandestine Meeting

With the backing of Caroline Lucas MEP, Fox had hoped that the European Commission would be able to help him. However the European Directorate General for Energy has quietly dropped his case, seeming to be using it as little more than a bargaining piece to pressure the UK government into implementing parts of the 'Euratom' radiation treaty that should have been ratified into British law many years ago. Last summer the Commission and DEFRA held a meeting regarding the case. The Commission was not satisfied with DEFRA's report, due to the discrepancies between the data in the Environment Agency's survey and those conducted by independent scientists, and sent experts to meet with representatives of DEFRA. The DEFRA team was Chris Wilson, Steve Allen and Fiona Shand. Corporate Watch attempted to interview Wilson and Shand in August of 2004. Both of them refused. Shand claimed then that she knew very little about the case.

Ultimately the August 19th meeting concluded that Fox's case was 'unsubstantiated', and that the 'results of the different analyses were not completely concordant (e.g. regarding the isotopic ratios of some radionuclides), due to differences between measurement methods.' After two letters of inquiry as to progress with the case, Commissioner Piebalgs finally informed Caroline Lucas of the meeting and its outcome on 2nd February 2005.

More Unanswered Questions

Corporate Watch approached DEFRA and Piebalg's office in April 2005 to ask why no one was informed of the meeting for so very long, and why Fox and others were not asked to attend or given any input. DEFRA simply replied that it was because it was a 'technical' meeting. The Commission took over three weeks to answer and told us that the meeting did not directly concern Fox's case. We got back in touch with the Commission to ask how this could be, when Commissioner Piebalgs himself had told Lucas, in his February letter, that the meeting concerned the discrepancies in the survey data from Fox's garden and apparently provided their reason to drop the case. Although an answer has been promised several times, at the time of writing they have yet to reply. Spokeswoman Marilyn Carruthers refused to comment on the case by telephone.

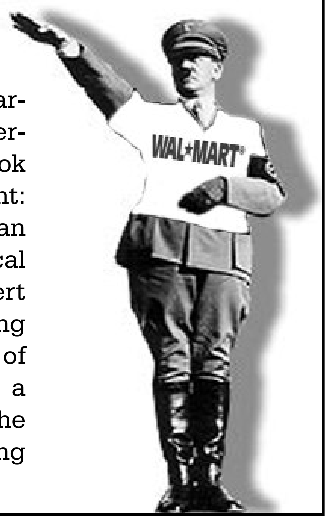
Legal Liabilities

Fox continues his struggle through the courts. His adviser told us that the case should have been referred to the European Court of Justice when Ray first went to court in 1999. Under the Nuclear Installations Act, UK courts have no jurisdiction in dealing with any claim for damage from radioactive contamination causing personal injury and property damage. Under the Brussels Convention (supplementary to the Paris Convention on Third Party Liability in the Field of Nuclear Energy) twelve European governments contribute to a fund to compensate 'if a nuclear incident were to cause damage totalling more than... approximately £150 million'. Fox argues that damages to himself, his family and property, and to thousands of others in the area would certainly exceed £150 million and would set a precedent for many more claims. This may explain the European Commission's reluctance to properly investigate.

Babylonian Times

Babylon hath been a golden cup in the Lord's hand, that made all of the earth drunken: the nations have drunken of her wine; therefore the nations are mad. Jeremiah 51:7

...FIRST THEY CAME FOR THE HYPERMARKETS?



Wal-Mart has found itself under fire after comparing citizens who want to limit the size of its supermarkets with Nazis. Under a picture of a 1933 book burning at Berlin's Opernplatz, was the argument: 'Should we let government tell us what we can read? Of course not...So why should we allow local government to limit where we shop?'. The advert was produced by a Wal- Mart front group opposing Ordinance 100, an attempt by the town of Flagstaff, Arizona, to limit the size of shops to a mere 75,000 square foot. Other adverts in the series have included 'a picture of a child praying and a person with duct tape over her mouth.'

NICE WORK IF YOU CAN GET IT

£75,000 for the finance director and £42,000 plus performance related pay for the 'senior financial analyst' of Metropolitan Housing Partnership (MPH) who own houses in Greater London, Cambridgeshire and the Midlands. MPH is a housing association, a registered social landlord (RSL) and thus a 'not-for-profit' company. It is therefore clear that not paying out to shareholders does not preclude supporting a class of wealthy business executives and consultants.

ANTI-G8 PROTESTS JULY 2005

2 MAKE POVERTY HISTORY MARCH, EDINBURGH: *www.makepovertyhistory.org*
3 MAKE BORDERS HISTORY, GLASGOW: Tour of immigration controls and organisations involved in locking up and deporting Asylum seekers: *www.makebordershistory.org*
3 G8 ALTERNATIVES SUMMIT, EDINBURGH 'Ideas to Change the World'; prominent speakers and 36+ workshop/ seminars. *www.g8alternatives.org.uk*
4 FASLANE BIG BLOCKADE: Non-violently blockade this nuclear base *www.faslaneg8.com*
4 **CARNIVAL FOR FULL ENJOYMENT, EDINBURGH**: A parade visiting places responsible for casualisation, *dissentagainstwork@yahoo.co.uk*
5 BEACONS OF DISSENT!: Beacons are to be lit on the hills south of the Gleaeagles Hotel to send a clear message that the G8 leaders are not welcome, and lit in solidarity around the UK.
5 CLOSE DUNGAVEL: No borders demonstration, Dungavel Immigration Removal Centre.
6 GLOBAL DAY OF ACTION
>**BLOCKADE THE SUMMIT:** Call by Dissent! Network blockades working group to all autonomous direct action groups and individuals. For more info e-mail *blockadEs-subscribe@lists.riseup.net*
>**DEMONSTRATION**: March from Gleneagles train station at 12 noon, called for by G8 Alternatives. As of late May, permission refused by police. http://www.g8alternatives.org.uk
>**PEOPLES' GOLFING ASSOCIATION**: The Peoples' Golfing Association is planning to host an open golf tournament. People are encouraged to begin forming autonomous golfing affinity groups. No Caddies, no Masters!
8 DAY OF ACTION AGAINST THE CAUSES OF CLIMATE CHANGE: Check out *http://cca.movingpages.org/*

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