

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*



FALSE FLOWER FUEL FACT

Shell's first marketing campaign may have started as far back as 1957, (see pages 6-7 'The Shapers'), but they have not let the grass grow under their feet since! Rather they are having plants grow into their marketing campaign in an effort to appear more flora-friendly. Recent Shell adverts have shown flowers blooming out of an oil refinery, plus the claim that Shell uses 'waste CO2 to grow flowers'. Friends of the Earth Europe have complained about this 'false and misleading' advertising - pointing out that while one Shell refinery in the Netherlands cuts CO2 emissions by piping it to heat greenhouses, this form only a measly 0.325% of Shell's direct emissions - less than one three-hundredth. In reality, oil companies' main interest in plants starts and ends with the millions of prehistoric trees that they pump out of the ground every day, in the form of petroleum.

CREATING THE DISEASE AND THE CURE

Are you really happy, are you, in fact, really healthy? Really? Maybe you're actually ill, or dysfunctional, or unhappy - or possessed by the spirits of millennia-old dead aliens (scientologists actually believe this last one). Making people feel bad and then selling them the 'cure' has been the stock-in-trade of tricksters, shysters and snake-oil salesmen down the ages. Corporations are no stranger to this tactic - where you create dissatisfaction you also create a market for products to deal with it! Now Wyeth, a US pharmaceutical company, is trying this old trick again, in a rather extreme form. They are hoping that their pill 'Lybrel' - which was apparently originally developed as a female contraceptive pill - can make them big bucks by being sold with the promise that it can stop women having periods. Wyeth expects to make \$250 million by turning a normal human bodily function into something that needs to be medicated against. This is despite that fact that very little research has been done in the area of on the long-term effects of artificially halting menstruation. In 2003 the Society for Menstrual Cycle Research issued a statement saying that, in the absence of proper research women could not be expected to make an informed choice about the effects of using such drugs. This has not stopped Wyeth, which, after getting FDA approval this May, is expected to roll Lybrel out to US chemist shops in July 2007.



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ASSEMBLING EUROPE

**cw looks at the
corporate power
shaping the
european union**



june



**CW TSHIRTS, YOU
KNOW YOU WANT ONE**

Corporate Watch

1 Protest against Guantanamo Bay Detention Centre, London, 6:00 pm - 7:00 pm. Weekly one hour protest outside the US Embassy for the closure of Guantanamo Bay www.cageprisoners.com

2 Protest Outside Zimbabwe Embassy, London, 2pm-6pm. Protest against human rights violations by the current Zimbabwe government. Zimbabwe High Commission, 429 Strand London, nr Charing Cross Station. <http://www.zimvigil.co.uk/>

3 Defend Asylum Seekers protest, London. Communications House, 210 Old Street, EC1 020 7837 1688 Called by left paper Fight Racism! Fight Imperialism!

5 No Borders meeting, Brighton, 6pm. Working in support of migrants and against racism. Back building at Cowley Club, 12 London Road, Brighton: brightonnoborders@riseup.net or www.noborder.org.uk

6-8 - Mass protests against the G8 Summit at Heiligendamm, North coast of Germany. For more info see www.wombles.org.uk/article200609109.php www.dissent.org.uk and www.vision07.net/drupal

16 - 'It's broke - let's fix it! finding solutions to poverty, conflict and climate change', London. All day conference on various global problems; organised by Cafe Diplo. Imperial College, South Kensington, London. www.mondediplofriends.org.uk/

23 - Leicester Pride - Gay festival for the Midlands. Free. www.leicesterpride.co.uk

30 - The third Soundings annual event, London. One-day event on financialisation, globalisation, the role of the state, and the politics of the social recession. 10.30am-5pm at Tavistock Centre, 120 Belsize Lane, London NW3; £25, unwaged £10 (includes lunch) www.soundings.org.uk

30 - London Pride. Procession from Oxford Street to Hyde Park in London Village. www.pridelondon.org

7 St Paul's Carnival, Bristol. Community carnival visitbristol.co.uk/site/st-pauls-carnival-p35371

13-15 Tolpuddle Martyrs Festival, Dorset. Annual trade union festival and rally. Tony Benn, Mark Thomas, Chumbawamba and more. Free - charge for parking and camping. 0117 947 0521 southwest@tuc.org.uk www.tuc.org.uk/tolpuddle

19 No Borders meeting, Brighton, 6pm. Working in support of migrants and against racism. Back building at Cowley Club, 12 London Road, Brighton: brightonnoborders@riseup.net or www.noborder.org.uk

20-29 A-Camp 2007 Anarchist summer camp, Austria www.a-camp.info

27-28 Civil Rights, Liberties and Disobedience: Alternatives to Governance in the 21st Century, Loughborough University.

**Newsletter 35:
June/July 2007**

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.

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CANS OF THE CARIBBEAN

Trinidad and Tobago faces a big decision. In May 2003, an agreement to build a \$1bn smelting works in the south of Trinidad was signed between the Trinidadian government and Alcoa, a US aluminum company. Ever since, a debate has raged on whether or not Trinidad should go down the path of heavy industrialisation or instead turn towards sustainable agriculture.

The Trinidadian governing party claims the proposed smelter is an opportunity for the country to experience unprecedented economic growth. They argue that having another large foreign company to invest in Trinidad is a blessing. However, this neo-liberal project will, at best, further the corporate interests of Alcoa and only benefit Trinidad in the short term, while hurting the people of Trinidad by damaging their community, environment and economy.

Alcoa cites the large natural gas resources that could be converted into cheap power as a motive for choosing Trinidad. The government-run gas company, which will itself control 40% of the 2,000 acre Chatham smelter, will sell power from Trinidad's natural gas to Alcoa at prices below market value, effectively subsidising Alcoa. The proposed Trinidad smelter is the second greenfield smelter project built by Alcoa in the past 20 years, the other being located in Iceland, also to take advantage of cheap local energy supplies [as covered by several Corporate Watch articles on Alcoa's hydroelectric dam project in Iceland].

The Trinidadian Environmental Management Authority (EMA) has not yet issued a Certificate of Environmental Clearance (CEC) for the proposed Alcoa smelter. Since Alcoa has not yet received a CEC, it is unable to begin construction of the proposed smelter, however a similar smelter, by Alutrint (a combination of Trinidad and Tobago's energy company, plus Venezuelan and Chinese companies) is currently under construction, after receiving EMA approval.

Although Alcoa have presented the smelter as an environmentally and socially responsible development, strong con-

cerns remain, for example the case of local, and prize-winning, beekeepers. Through removal of bee colonies in the



region where the smelter would be built, a vital part of the ecosystem would be lost - farmers fear that crops will not be pollinated in the absence of bees. Plus, if the bee colonies do fail, it could force Trinidad to import honey, previously produced locally. As Trinidad's senator Professor Ramchand warns, 'Every year we import more food... Every year the land available for growing food is taken away and used for something else'. Not only bees would have to move - over one hundred families are also facing eviction to make way for the smelter. Alcoa boasts of healthy compensation packages being offered, but there is no mention of the community that will be lost by their relocation or of their connection to ancestral land, just that money will be provided: the displacement of families and agriculture is justified with an economic argument

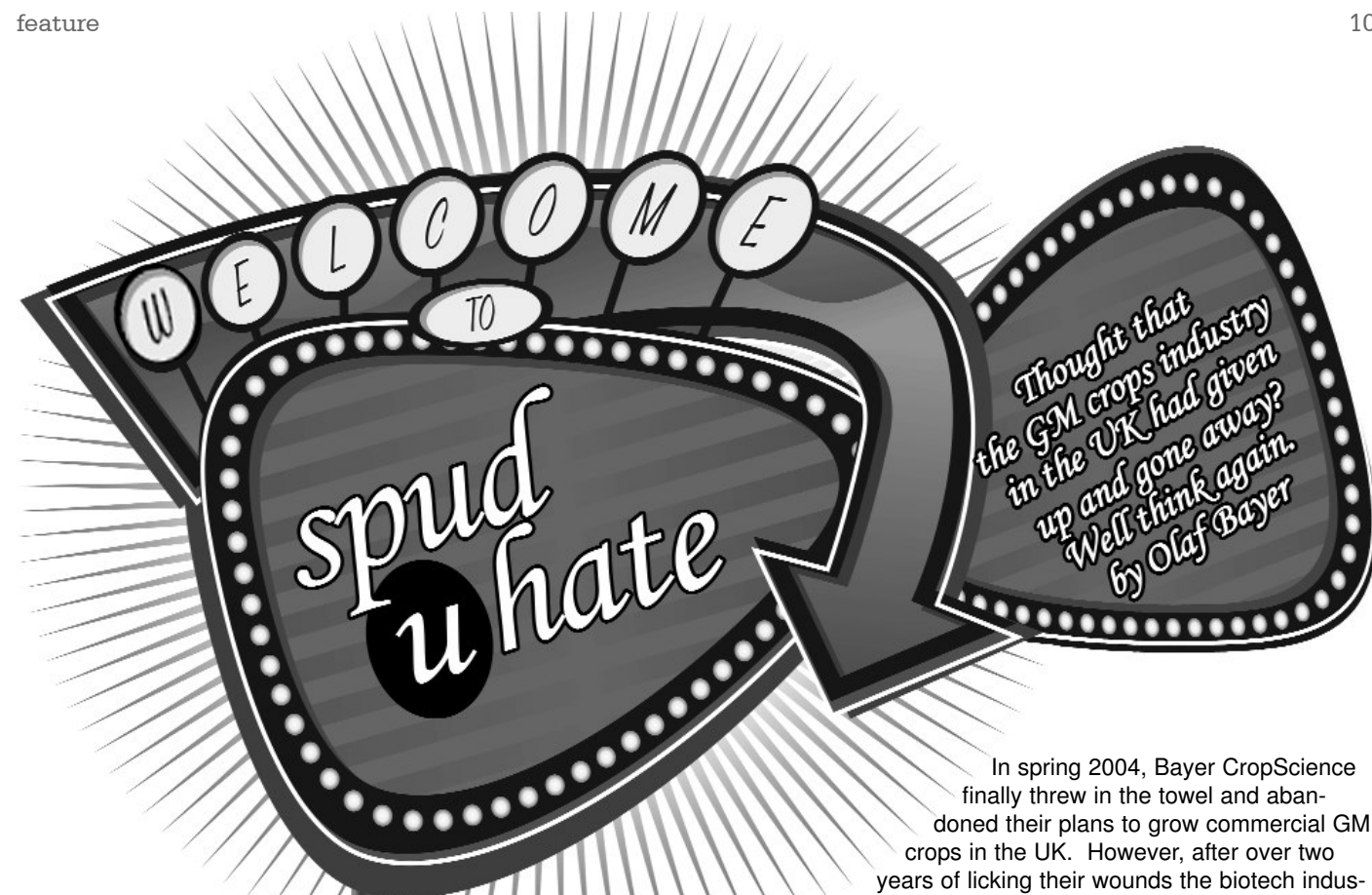
All environmental risk posed by the Chatham smelter has been deemed

worthwhile since it will bring jobs, help the economy and improve the lives of the people. The Energy Minister, Lenny Saith, commented on a recent protest by asking, 'On what basis do they do that? It is just emotion'. Prime Minister Manning has also stated that the proposed smelter is not an option; but necessity for Trinidad. Alcoa boast that 750-800 long-term jobs will be created with the prospect of other industries following Alcoa to Trinidad and Tobago. Yet Alcoa has not committed to any of these jobs going to Trinidadians.

Looking at a different aspect of the proposed smelter, Trinidadian concerned citizen coalitions, including 'No Smelter in T&T', have formed and called for caution. They have warned that the proposed smelter could bring economic insecurity to the island. They point to the Alutrint plant that is under construction in the south of Trinidad, which will initially employ zero Trinidadians for at least the first thirteen years of operation - since, 'Expertise is not available in this country'. The 'No Smelter in T&T' coalition also wonder about the Alcoa and government claim that the smelter would produce more tax dollars. In Brazil, the Alcoa smelter in Sao Paulo costs the Brazilian tax payers \$120 million US annually on subsidies. The 'No Smelter in T&T' coalition and other concerned citizens are left asking what aspect of the proposed smelter is truly in the best interest of the average Trinidadian people. If the smelter is built and operated, there may be short-term economic benefits for the government, but these will be just that, short. Pollution will damage the environment and the natural gas reserves will be depleted. Continued action by protestors and communities will need to become more vocal if the project is to be stopped.



NEW REPORTS FROM CORPORATE WATCH



In spring 2004, Bayer CropScience finally threw in the towel and abandoned their plans to grow commercial GM crops in the UK. However, after over two years of licking their wounds the biotech industry has reared its ugly head again. In early December 2006 chemical multinational BASF was granted permission by the UK government to conduct a five year research and development trial of GM blight resistant potatoes, at two locations, between spring 2007 and autumn 2011.

The first trial site at NIAB (National Institute of Agricultural Botany) near Girtton just north of Cambridge has gone to plan and was planted on 19th April. However, the second trial has met with problems. First planned for a farm near Borrowash, Derbyshire, the original host farmer backed out of at the trial in late December 2006. An alternative site was announced in spring 2007 at Hendon, near Hull. Planting has been abandoned this year due to opposition from neighbouring farmers.

In April over 150 people attempted to disrupt the Hendon trial - a field they thought was about to be planted with GM potatoes was sown with organic potatoes. As it turned out they got the wrong field (but it's the thought that counts). As one of the spud planters said 'Despite a mistake being made we believe it was far better that we went ahead and challenged the GM trials than stood by doing nothing. Although the wrong field was targeted we still demonstrated that the British public are resolutely opposed to GM crops and will take action to resist their reintroduction into the UK'.

Planting of this second site has now been abandoned due to opposition from neighbouring farmers.

For more information on the potatoes see www.gmfreeze.org/uploads/GM_Spudsoverview_webbriefing.pdf

For more information on the campaign to stop BASF's mutatoes see www.mutatoes.org

For details of where the potatoes are planted see www.defra.gov.uk/environment/gm/regulation/pdf/trials.pdf

THE UNION WE LIVE IN

The European Union turns fifty this year. The Treaty of Rome of 1957 created an European Economic Community that went on to become the EU we know today. Analysis of the EU usually focuses only on the political and legal processes. This issue of Corporate Watch takes a look at how private business has fared under the EU, and how corporations use the union to further their interests. For this issue Corporate Watch has teamed up with our friends in Corporate Europe Observatory (CEO), who monitor corporate-EU relations from their base in Amsterdam. For more on CEO, see 'Spying Through the Euro Lies' on page 9.

POLITICAL STRUCTURE

President of the European Commission: chosen by the EU governments and confirmed by the EU Parliament every five years. Current president, Jose Manuel Durao Barroso (elected 22 November 2004).

European Commission: one member appointed by each member country. Each commissioner is responsible for one or more policy areas (chosen by the President), rather than representing his/her home country. The EU Parliament votes to approve the slate of Commissioners, and can also force them to resign through a vote of no confidence. Based in Brussels.

European Parliament: Elected every 5 years by a direct vote of the population of member countries. Based in Strasbourg and Brussels.

Council of the EU: Made up of ministers from EU member countries; different ministers meet depending on the topic or 'configuration' - e.g. foreign ministers for 'General Affairs and External Relations' and finance/treasury ministers for 'Economic and Financial Affairs Council' configuration, also known as Ecofin. 'EU summit' meetings are EU Council meetings formed of presidents and prime ministers of member countries.

OTHER INSTITUTIONS

Court of Justice of the European Communities: interprets EU law. The judges are appointed by member states. It is based in Luxembourg.

The Court of Auditors: audits the collection and spending of EU funds.

European Economic and Social Committee: designed to allow access to the EU process by 'civil society', which in practice means employers' groups, big trade unions and professionals.

Committee of the Regions: made up of representatives of local government from EU countries, weighted by size (e.g. the UK gets 24 and Ireland 9). Appointed every four years by member states and approved by the EU Council.

European Central Bank: manages the Euro, setting interest rates and so on.

European Investment Bank: Lends money for projects that further EU interests. For example, in Asia and Latin America the EIB will lend 3.8 billion Euros to various projects, including wood pulp factories in Brazil and oil and gas development in China.

BASIC FACTS:

EU area: 4,324,782 sq km - about half as big as the USA or China.

EU population: 490,426,000 - bigger than the 301,139,000 for the US but less than half of China's 1,321,851,000.

CEO is a European-based research and campaign group targeting the threats to democracy, equity, social justice and the environment posed by the economic and political power of corporations and their lobby groups. www.corporateeurope.org
De Wittenstraat 25 1052 AK Amsterdam Netherlands tel: +31-20-6127023 fax: +31-20-6869558

THE WORLD OF THE EU LOBBYIST

The complex, often unaccountable EU decision-making procedures and the lack of a truly European public debate make Brussels into a paradise for corporate lobbyists. Brussels now competes with Washington D.C. For being the global capital of lobbying.

The Brussels corporate lobbying scene numbers well over 1,000 lobby groups plus hundreds of public relations companies and law firms offering lobbying services, dozens of corporate-funded think-tanks as well as several hundred 'EU affairs' offices, run by individual corporations. Of the over 15,000 professional lobbyists estimated to work in Brussels, a clear majority represents the interests of big business. Social and environmental groups, although increasingly represented in Brussels, cannot match the financial and organisational power mobilised by industry. The European chemical industry federation CEFIC, alone for example, has more lobbyists in Brussels

than all environmental organisations together. The European Commission, which has the exclusive right to propose and develop new EU legislation, is one of the main targets for lobbyists. But as the European Parliament's powers have gradually increased, more and more lobbyists are active there.

Who are They Lobbying?

The European Commission has the exclusive power to propose new EU legislation, and the mandate to control the implementation of EU regulations. While the Commission is often perceived as un-transparent and unaccountable, things are actually far worse in the Council of Ministers. Via the Council, national governments have the final say over legislative proposals made by the Commission, decisions made behind closed doors. An estimated 90% of Council decisions are taken by the Committee of Permanent Representatives (Coreper), made up of the Member States' ambassadors to the EU, before the ministers even meet. Major decisions on the EU's future development are made by the European Council, attended by presidents and prime ministers of the 25 member states. The powers of the once-feeble European Parliament have grown significantly in the last decades. On many issues, though still far from all, it now has powers to approve, block or adapt proposals coming from the European Commission, comparable to the role of the Council of Ministers.

Big Oil In Europe

Exxon-Mobil fuels the work of 'climate sceptic' think tanks and lobby groups in North America and Europe. According to the Worldwide Giving Report published annually by the ExxonMobil headquarters in the US, the oil giant distributed \$2.9 million to 39 such groups. With these donations, ExxonMobil wants to create the impression that climate scepticism comes from respectable sources.

In Europe the company has in previous

years provided funds at least to the International Policy Network, the Centre for The New Europe, TCSDaily.com and the International Council for Capital Formation, the latter three are based in Brussels, and all are ardent opponents of the EU's efforts to combat climate change. In 2005 ExxonMobil funded the climate change programs of Centre for The New Europe and the International Policy Network for \$50,000 and \$130,000 respectively. The Lisbon Council (a think tank promoting a neoliberal reform agenda) website mentions that it received donations from ExxonMobil - something not been mentioned in Exxon's own report. The same goes for the Stockholm Network, a pan-European alliance of radical free-marketeers with a strong focus on EU policy-making. At least three other Brussels think tanks (EPC, CEPS and Friends of Europe) refer to ExxonMobil as a corporate member, which implies a fee of between 5,500 and 30,000 euro per year.

Other climate-skeptical think tanks based in Brussels that are believed to have received ExxonMobil's funds are the European Enterprise Institute (EEI), and Institut Economique Molinari (a very active climate-skeptical think tank with close links to the Centre for The New Europe). These two groups are unwilling to put their cards on the table and neither have answered CEO's repeated requests for disclosure. In summer 2005 the EEI had promised to publish its sources of funding before the end of the year, but it has never followed through. Péter Mihók of the Institut Economique Molinari simply wrote back with the message that funding sources are kept confidential and it is up to the donors to decide whether or not to disclose this information.

This page has been adapted from material previously published by CEO. Full versions can be seen at <http://www.corporateeurope.org/docs/lobbycracy/lobbyplanet.pdf> and <http://www.corporateeurope.org/ThinkTankSurvey2006.html>

SPYING THROUGH THE EU RO LIES

The EU is often portrayed as bureaucratic and anti-business. The first charge is perhaps well deserved, the second entirely untrue. Benefiting from public disinterest and the opaque politics of Brussels, corporations exert a powerful and growing influence over European politics.

Corporate Europe Observatory (CEO), an Amsterdam-based group, has been investigating and documenting the inner workings of the EU and the ever increasing corporate influence over its policy making process. Corporate Watch spoke to CEO co-founder Erik Wesselius about ten years of researching corporate lobbying in Brussels and at international institutions like the UN and the WTO.

The idea for Corporate Europe Observatory was born in the Spring of 1997 in the run up to the EU summit at which the Amsterdam Treaty was to be agreed.

'We were involved in the organisation of the counter summit. we wanted to bring the issue of corporate power into the debate about a different EU.

'Our basic motivation was to oppose corporate influence on EU policies. We had seen the examples of the Trans European Networks and also the internal market and European Monetary Union. We had also stumbled upon the European Round Table of Industrialists and decided we should do something about this. We wanted to make people realise that this is a problem for democracy"

The sheer volume of material CEO has produced in ten years is astonishing and the depth of research is humbling. Since 1997 they have investigated a wide variety of topics - from the Multilateral Agreement on Investments, to the privatisation of water companies worldwide, to the EU-US free trade negotiations.

I asked Wesselius about the kind of techniques used by the corporations to gain influence in Brussels. These are multi-stranded strategies of influence. He pointed to their recent investigation of the car lobby and its campaign to evade CO2 emissions controls.

In 1996, the EU had negotiated a voluntary agreement with the European car manufacturers for a reduction of CO2 emissions from passenger cars. They aimed to reduce average emissions from 186 g/km to 140 g/km by 2008. These reductions were to be achieved through technological development. By 2006 it had become apparent, however, that the manufacturers were not keeping up their end of the bargain, with few manufacturers set to reach agreed interim targets. the German manufacturers were the worst offenders.

In response EU Commissioners proposed a binding target of 120 g/km. The German auto industry responded immediately, publicly declaring that they would have to shut many factories in Germany, affecting roughly 65,000 workers. They also claimed that the EU target was for a simple emissions limit of 120g/km per car, which is untrue: the target is for average emissions over the different models in a manufacturers range. This falsehood was however picked up by the German press and relayed as truth.

Meanwhile the European Car Manufacturers Association (ACEA) apologised and released a position paper blaming their failure to live up to their commitment on external factors, highlighting part of their 1998 agreement with the Commission which said that 'external factors beyond ACEA's control may influence the outcome'. ACEA went on to blame poor recycling regulation, 'weak demand for energy efficiency' and other things. The car companies proposed an integrated approach in which the 'combined efforts of many parties and demand-related measures are essential instead' - this problem would be re-cast as a vague social responsibility, rather than a demand of the car industry itself.

The German manufacturers played up the supposed threat to their factories in Germany and recruited many German politicians to their cause, including Chancellor, Angela Merkel to lobby for a relaxation of the proposals. Meanwhile a small army of lobbyists in Brussels went to work. The Commission has now decided to water down its proposals, pressing for a 130g/km target instead.

CEO has researched and documented hundreds of such cases, revealing the real decision-making processes in Brussels. For us here in the UK, their work deserves far more attention. The issues they research continue to become yet more urgent, as the EU extends its influence over the lives of ordinary Europeans, whilst the corporations continue to extend their influence over the EU process. CEO continues to campaign for proper transparency in European lobbying. Unlike the US and many other countries, there is no register of Brussels lobbyists, or of their activities.

CEO recently claimed a major victory. The special adviser to EU Energy Commissioner Andris Piebalgs, was at the same time running a lobbying company representing major energy companies - in particular nuclear power companies. CEO wrote open letters to Linkohr, Piebalgs and the Commission Vice-President, Siim Kallas, pointing out the clear conflict of interests. The lobbyist in question, Rolf Linkohr, was subsequently sacked as the Commissioner's special adviser; a move which may signal a new commitment to transparency in the Commission.



POINT COUNTERPOINT TO GO OR NOT TO GO?

This month the G8 summit meets in Germany. We present a debate of protest tactics.

'STOP THE G8'

Shutting down the meetings is the aim of many summit protestors at the G8. This stems from a view that the G8 is an illegitimate body meeting only to coordinate how better to protect the interests of corporate and political elites. As Alex Smith reflects, the direct actions against the G8 summit in Scotland in 2005 were seen as 'a means of hindering the expansion and intensification of the neo-liberal project, and the smooth reproduction of the capitalist system as a whole.'

The summit protests are part of a global effort to dismantle the economic and political system. As 'Some Committee' protest call-out put it, 'We call for you to join us in making this mobilisation yet another stepping stone, another nail in the coffin of international capitalism...we should not just disturb the global elite, but start a fire of rebellion.'

While stopping the G8 meeting sounds ambitious, our longer-term aims are even more so. Summit protests help to build and strengthen the global resistance movements. They are place where friends, networks, and cultures of resistance emerge, and where discussions and ideas flow - the creation of lasting networks sharing ideas across borders. Furthermore, the experience of resisting collectively binds movements together. Seemingly unrelated struggles unite their resistance. One call-out pointed out that 'It is not only since Seattle...that we are out in the streets fightingBut it is here that we do it together.'

Summit protests can also act as entry points into radical politics. The protests reveal that other systems of social organisation are possible and fought for - that capitalism is fiercely resisted all over the world, everyday - and that capitalism also has its own formidable defences: the police, the corporate media, and the G8 itself. We have to understand that the protests are not simply about mindless destruction, or liberal lobbying. We have to look beyond the media that is controlled by corporate and state interests, to alternative media forms. Therefore, to get more accurate coverage of the G8 and the action taken to stop it, we highly recommend checking out: www.indymedia.org.

'DON'T PLAY THE G8'S GAMES'

During the 2007 G8 summit all media eyes will be trained on Heiligendamm, as police and demonstrators fight it out on a TV near you. The trouble with this is that what is being played out is simply a spectacle created by a gathering of activists and politicians and is inaccessible and irrelevant to most people's lives. The G8 functions to bring stability to the world economy - the G8 leaders turn up in their suits and look like world statesmen or their home audiences. Meanwhile tens of thousands of corporate lobbyists turn up to try to gain access to these corridors of power. Many high-profile campaigners also attend, in the hope of gaining attention for their pet cause. These charities and aid organisations may think they are having an effect, but in reality they're simply adding to the prestige and power of the G8. Celebrity campaigner Midge Ure recently said, apropos of the 2005 G8, that 'Britain showed that you can make politicians pay attention if you shout loud enough. But promises are easily made. Lets hope they're not so easily broken.' As Midge may know, most of the G8's 2005 aid promises were indeed broken; simply turning up to the G8 summit with enough white wristbands will not change the basic pro-corporate basis of the G8 economic policies. As the Financial Times recently observed, in the eyes of the G8 leaders, 'Adding more emotive issues to the G8's traditionally dry economic agenda adds to the elite club's legitimacy'.

Complete rejection of the G8, and attempting to simply disrupt it may seem like an alternative to the charity lobbying approach, but in fact this again adds to the G8's vampiric appeal, by making the G8 summit 'the place to be'. And in that place, faced by a huge build up of police, media and lobbyists, it's all but impossible to put across any message or achieve any end without being misrepresented, crushed or both. The movements that are powerful, that can achieve lasting social change, have strong roots in local communities and in people's everyday interests and needs. Playing the G8's game by giving attention to their summits detracts from the ability of activists to root themselves in meaningful activity on a daily basis. In the UK, and in Europe in general, this should be the main problem for those who want to change the world - how do we become a genuine social movement? Protesting at the G8 will not achieve this end.

EUROPE'S FORGOTTEN OCCUPATION



Around two hundred scientists, economists, analysts and academics attended the 5th International Workshop on Oil and Gas Depletion in Italy this month. Organized by the Association for the Study of Peak Oil (ASPO), this event moved on from their previous conferences, which concentrated mostly on providing evidence and attempting to forecast an actual date. This year, most of the invited speakers considered that the argument had now been won and were instead focusing more on possibilities for mitigating the consequences of the coming end of cheap oil.

Colin Campbell, honorary chairman of ASPO international, began the conference with a prediction that peak oil would bring a succession of price spikes followed by global recession. He warned that current financial structures would be threatened, as the power to control money shifts, and suggested that a new era of geopolitics would emerge, with energy rich Russia ascending while energy depleted US and Europe compete with China for finite resources.

Charles Hall, a professor at the State University of New York, told those gathered that

oil production is beginning to experience diminishing energy returns as crude becomes harder and more expensive to find. A yield of 100 barrels for every barrel invested was typical in 1930; the ratio had dropped to 30 to 1 by the 1970s and has now plummeted to 15 to 1 or less. 'It doesn't matter how much you find if it costs you a barrel to get that barrel', he said.

Commenting on the conference, Chris Skrebowsky, editor of Petroleum Review, said, 'What is becoming ever clearer is that Peak Oil is just one component of a range of challenges confronting our societies and our way of life - climate change, food supply, water resources and energy resources.'

Dennis Meadows, author of Limits to Growth, told ASPO-5 that almost all of his 35 year old predictions of ecological collapse are coming true. 'We're facing a lot of peaks and oil is just one of them. We are also drawing down our fertile soils, groundwater, and forest stocks.' Meadows is pessimistic about our collective ability to address these issues. 'Politics, with its short-term election cycles, just isn't equipped to deal with problems that demand short-term privation.

That's why collapse occurs. We are fundamentally unable to do the things we must do to avoid collapse. Sustainable development is possible, but not likely, and probably too late', he said. Meadows claims that collapse is not inevitable, but it will very tough to avoid. 'There is no possibility that alternative energy sources will rise fast enough to offset the decline in oil', he said. According to Meadows, 'Global society will most likely adjust to limits by overshoot and collapse, not by growth.'

Richard Heinberg, author of The Party's Over: Oil, War and the Fate of Industrial Societies and Powerdown: Options and Actions for a Post-Carbon World was on hand to promote his new book, or more importantly, to promote what he hopes is a plan for a sensible energy future in the form of the 'Oil Depletion Protocol'. This protocol was originally put forward in 2002 by the prominent petroleum geologist Dr Colin Campbell and aims to obtain agreements from countries to reduce oil imports and exports by a specified amount each year, about 2.6 percent. By doing so signatory nations would help mitigate the negative consequences of an over-reliance on cheap oil and help prepare for a global decline in the world's oil supply. According to those backing the idea, if the entire world adopted the Protocol, global consumption of oil would decline by almost 3 percent per year, stabilize prices and reduce competition for remaining supplies. Personally I find it highly unlikely that the more powerful nations would choose to sign up for such an agreement rather than attempt to utilise economic or military force in order to secure their own self interest.

Chris Skrebowski, the editor of Petroleum Review, said, collectively, 'We're still in denial.' Based on projections focusing on oil flows instead of reserves, he boldly stated that, 'We have 1,500 days until peak and tomorrow we'll have one day less.'



the SHAPERS

the firms moulding european life for the past 50 years

Since 1957 mergers have created the present titans of the EU, building on the private companies, mutual associations and state-owned companies of the past. These megacorps now wield enormous influence over the daily life of Europeans, as well as extending their influence worldwide.

2007

1. **Shell Oil** (\$306.7 billion), British-Dutch. The world's second biggest oil company, and in fact the world's second biggest company by revenue, no surprise that this multinational is the EU's biggest company.
2. **BP** (\$267.6bn), British. Another world-spanning giant, London-based BP is among the six largest oil companies and cements Britain's position as the base for Europe's biggest petroleum companies.
3. **Daimler Chrysler** (\$186.1bn), German car manufacturer, produces the Mercedes-Benz and Chrysler brands of cars and SUVs, as well as being the world's largest truck maker.
4. **Total** (\$152.3bn), French oil, gas and chemicals company; avowedly the fourth biggest. Pumping oil in many countries, including Nigeria, Burma and Bolivia.
5. **ING Group** (\$138.2bn), Dutch financial group, running banks and insurance, across Europe and also North America. In the UK, ING runs 'ING Direct', an internet bank.
6. **AXA** (\$129.8bn), French insurance company. In the UK AXA brands include Sun Life and PPP healthcare. Operates insurance in parts of Africa and in rich areas of the Middle East, like Bahrain, as well as across south-east Asia and owns one of America's biggest insurance firms.
7. **Allianz** (\$121.4bn), German financial service provider - banking, property and health insurance. In the UK they own Cornhill Insurance.
8. **Volkswagen** (\$118.3bn), German car producer - Europe's largest. Every fifth new car in Europe is produced by Volkswagen. Brands include Audi, Bentley, Lamborghini and Škoda.
9. **Fortis** (\$112.3bn), Belgium/Netherlands, banking and insurance. Since 2005 Fortis owns Turkey's seventh biggest bank, Disbank. In the UK, runs Assistance International.
10. **Crédit Agricole** (\$110.7bn), French banking group, sixth largest in world. Merged with state-owned bank Crédit Lyonnais in 2003.

// For the full list of 20 European companies, please visit corporatewatch.org. //

1957

1. **Shell** was supplying the novel car and civilian aviation industries with fuel, pumping oil from 300 wells, mostly in the Gulf, and had just started selling petrol, prompting a huge advertising campaign and the beginning of the Shell brand as we know it.
2. **BP**: Recently renamed from 'Anglo-Iranian Oil Company', British Petroleum had just benefited from a 1953 MI6/CIA coup in Iran, which overthrew the democratic Prime Minister, guilty of nationalising BP's assets. BP's assets were essentially British state assets - the UK government was a major shareholder, and sometimes the biggest, due to the importance of Iranian oil for the British Empire's fleet.
3. **Daimler Chrysler**: As merely DaimlerBenz, but still one of the biggest car companies in the world, the 1950s saw Daimler helping to create the new European phenomenon: mass car ownership.
<http://www.answers.com/topic/zzz-benzmercebenz-jpg>
4. **Total** had in 1954, launched its first logo, as part of a marketing drive to expand its business world wide, and was drilling in French-controlled Algeria. The two other companies - Elf and PetroFina - that were by 2003 to merge with Total, were also expanding operations, due to 'explosive growth' in car sales. All three companies received French state support, with Elf itself state owned until 1996.
5. **ING**: The companies that were to merge to form ING were Nationale-Nederlanden and the public-owned Rijkspostspaarbank, set up to enable saving by the Dutch poor, and which later merged with the Dutch giro payment service.
6. **AXA**: The companies that were to make up AXA were Ancienne Mutuelle, Groupe Drouot and Groupe Présence.
7. **Allianz**: After the trauma of the war, Allianz was only just beginning to reestablish itself. In 1959 it opened an office in Paris again and begun expansion, including the takeover of an Australian mutual insurance company in the 1990s.
8. **Volkswagen**: By 1955 Volkswagen had already sold 1m Beetles and had factories in Brazil, the US and Canada, as well as Europe. Bentley was still a British car brand, and Škoda was still a state-owned car company in what was then Czechoslovakia.
9. **Fortis**: There were several companies that were to become Fortis - Algemeene Maatschappij tot Exploitatie van Verzekeringsmaatschappijen (AMEV); VSB Svings Bank Group (formed by a socialist savings bank movement) and ASLK-CGER, which grew from a Belgian government-sponsored savings movement.
10. **Crédit Agricole**: Still largely focused on lending and holding the savings of farmers, Crédit Agricole expanded into mortgages in 1959.