



From Transition Town workshops to the city slickers at the *Financial Times* (to over-excited pieces in ill-researched journals like SchNEWS), there's been more and more interest in 'Peak Oil'. Perhaps it's got something to do with the price of a barrel reaching \$140+ (down to a mere \$115ish at the mo), and more noticeably for most, petrol at the pumps is at record highs. Not to mention UK power companies pushing the burden on to punters with up to 35% price increases.

So, is the reality of scarce energy really beginning to hit home? Is the oil now running out?

The basic premise is what's known as Hubbert's Peak. Oil, a finite commodity with an ever expanding demand, will reach its halfway point somewhere in the early 2000s (now) and from then on will irreversibly decline. Hubbert developed his theory in the 1950s when he predicted that America's domestic oil would peak by the mid 70s. In the mid-80s they realised he was right. Since then others have taken his predictions and expanded them to fit the whole globe, where the consensus has been for a peak in the first decade of the 21st century.

Scary stuff, and not just for gas guzzling SUV drivers but for all of us; it's oil that fuels the equipment that sows and reaps our crops (and makes the pesticides to slowly kill us with blemish-free uniform produce) and oil that fuels the trucks that drive the food to our shops. Add to this plastics, fertilisers, and all the other by products it becomes easy to predict apocalypse if the pumps ever run dry (see SchNEWS 499).

Something like this actually happened not so long ago, back in the '90s, in that wacky dictatorship called North Korea. The industrialised and oil dependent nation found itself without petroleum after its sole provider - the Soviet Union - collapsed. The result was that, far from western eyes, over a million people died as the infrastructure collapsed. And, so warns the Peak Oil doomsayers, this could happen on a global scale.

#### WELL WELL WELL

All of this has some anarcho-primitivists jumping with glee at the prospect of the imminent collapse of earth-raping industrial capitalist society. But, before you stock up on tinned goods, shotgun cartridges and bottled water, here's a few things to consider:

Firstly, there's no oil shortage. This may come as a bit of a surprise to all those who've been watching the prices rise and rise. As the Saudis recently pointed out to outgoing President Bush - pumping more oil won't lower the price. Actually, there's a glut of oil in the supply markets. The Iranians (one of the oil nations pumping under their maximum capacity) have tankers full of the stuff that they just can't shift because no one wants it. What's lacking is refining capacity.

While oil use in the US has increased 35% in the last 30 years, no new refineries have been built to keep up with demand. The ability to turn oil into petrol, diesel, aviation fuel etc is massively underdeveloped by the oil corporations, who generally like to keep refining to 'safe' (i.e. Western and friendly) countries. By artificially creating a bottleneck in the amount of usable oil, the price just goes up and up, leading to massive profits for the oil business as this nice little scam can keep functioning. Exxon Mobil made profits of \$11.8 bn in the last quarter alone, and the other big five oil companies are making similarly obscene dosh. The scam has worked pretty well so far.

The predictions of world oil reserves are based on proven, reachable oil. This is a tricky concept because, as it turns out, there's a whole lot of 'unproven' marginal oil that's already making its way on to world markets. The most known about of these are the tar sands of Alberta, Canada. Until very recently (when the technology became economical on a large scale) these were considered 'unproven,' yet a lot of these are now making their way to the US (and world) oil markets.

The tars sands, also known as bitumen, are a very dirty form of oil, one that's very expensive, polluting and energy hungry to exploit and process. It takes the equivalent of one barrel of oil to extract six barrels of oil from the tar sands. They also happen to be located in an area of unspoilt natural wilderness, but hey, what profitable minerals aren't



these days? Canada's tar sands contain an amount of oil in excess of that under Saudi Arabia's sands. And exploiting them is fast becoming its most profitable activity.

Venezuela has similar deposits of bitumen in Orinoco, and significantly larger than Canada's. They're estimated at around 260 million barrels (i.e. another Saudi Arabia) on top of the 80 million or so of ordinary oil. They're easier to exploit than Canada's and are barely touched. It's no wonder that the US has got such a keen interest in the actions of Venezuelan President, Hugo the Chavmeister. Industry experts had been saying that these areas will become among the world's future energy heartlands, but that until oil was worth over \$40 per barrel it was too expensive to develop. Oil's now worth over \$100 and will be so for some time to come, so go figure.

#### **CRUDE THOUGHTS**

A real danger of Peak Oil, or rather, the fear of peak oil, is that it risks handing states and corporations even more planet-wrecking power. If people believe the oil is running out, then pressure from consumers and businesses alike is to find more at any cost. This is already being written into the US election strategy of the republicans, where John McCain is promoting drilling in the Arctic Circle as a way out of the energy 'crisis'.

This could lead to a seriously deadly irony: The warnings of Peak Oil by environmentalists could lead to the erosion of the public's psychological barriers protecting the few remaining areas of wilderness left. There's oil in unknown (but quite possibly huge) quantities in Greenland, as well as plenty in Alaska, where the Bush junta has already green-lighted the destructive process of exploring and exploiting. The Russians have laid their claim to their chunk of the Arctic Circle too, with an eye to expansion for more oil.

Continued overleaf...

# PEAK SPOIL

And, in a genuinely insane piece of economic logic, as global warming melts the Arctic's frozen seas, the previously unreachable oil reserves that lay under the ice become more exploitable, and, as they are burned, yet more undersea oil becomes available. Or if that runs out there's always the Antarctic...

And if these reserves still don't prove to be quite enough to satisfy demand, there's always ole king coal. China, main producers of the world's plastic consumer tat, is rich in coal but virtually empty of large oil deposits.

To keep their economy expanding at its current pace they are building two coal fired power stations a week. However, they need oil as well for their cars and trucks (and tanks). As oil's expensive and foreign suppliers can be notoriously unreliable (they haven't as yet turned to Amercian-style invasion of oil producers) what they really crave is a domestic source of oil, which they don't have.

Or at least didn't, until they turned to the combined wisdom of the Nazis and the apartheid-era South Africans. Both the Nazis during the war and the South Africans during sanctions found it hard to import oil. Luckily for them a German scientist found a way to turn coal into synthetic oil, known as the Fischer-Tropsch Synthesis. It's a very energy hungry process (of course) and needless to say massively polluting (obviously) but it does mean that, even if oil is tricky to get hold of, you can just magic some out of coal - kind of like a very dirty alchemy that's bad for the planet.

China has already constructed its first huge synthetic oil refinery in Chinese Mongolia.

#### PRICE OF SUCCESS?

The current cost of oil, often mistaken as a indicator of its scarcity, is actually driven by far more complex forces.

As a commodity like any other, it's traded on the international markets via brokers. In recent years the power of the cartel that set the price of oil, OPEC, has been significantly reduced, and now it's the speculators that call the shots on its price (more or less - OPEC still caries a lot of weight, but it's a player now rather than the whole game). That means that, as long as the price of oil is rising, speculators will push the price even higher.

It's estimated that as much as 60% of the price of today's oil is pure speculation. To give an example of the logic of nonsense capitalism: Today oil is worth, say \$125 a barrel. As the price is going up, you, a speculator, figure that if you buy some at that price today, you can sell it in a week or two for \$135. Because you're buying oil, other speculators have more confidence the price will continue upwards, so they're happy to pay \$130 after you. This continues until no one who actually needs to use oil for their cars, homes or businesses etc. can even afford to refill their zippo lighters, at which point the entire economy crashes, taking the price of oil with it.

In fact, herein lies one of the central flaws in the theory of peak oil - supply and demand: that fundamental essential of capitalism. If the price of oil goes up as its demand goes up (and its availability goes down) then at some point it will be too expensive for oil based industrial capitalism to afford. At that point we enter a new depression/recession. Businesses collapse, people can't afford to run their cars, factories grind to a halt and so on. The effect of a depression means that, with the entire economy in free fall, the demand for oil drops. As the demand drops so does its price, until at some point people can afford to buy it again, and, hurrah, capitalism reasserts itself (albeit in a leaner, less carbon-heavy form).

#### DRILLER KILLER

The truth is that the oil has already peaked for Western multinationals. In the 70s, major Western oil giants controlled over half the world's oil, they now only own 13%. As Arjun Murti, an energy analyst at Goldman Sachs puts it: "What we have now is geopolitical peak oil."

There's plenty of oil left, but it's all in either politically unstable / US-unfriendly states (Iraq, Iran, Russia) or difficult and expensive to get at (the Arctic, Canadian tar sands). These alternative sources of fossil fuels could keep us going well into the future, past our lifetimes and maybe even that of our grandchildren. The problem is: exactly that. The effect of burning a trillion tons of coal and perhaps a trillion barrels of oil is that the planet will burn up faster than a petrol-soaked moth near a candle. The Intergovernmental Panel on Climate Change (the world's leading authority) predict a global temperature rise of at least 3°C by 2050, with further predictions that CO<sup>2</sup> and climate temperatures will rise and rise.

Mother nature has been steadily locking away excess carbon under the ground for the last three billion years in order to maintain a steady, liveable temperature for all of us life-forms. Suddenly, us wayward children have begun reversing the process, sticking it back in the air. In the process we're experimenting with the atmosphere on an unprecedented scale, causing massive changes to the climate and biosphere, driving many species to extinction on a par with the extinction of the dinosaurs.

The real problem isn't that we're going to run out of fossil fuels. The problem is what happens when we don't...

#### STORMING THE BARACK AIDES

The 1999 WTO protests – the Battle in Seattle – were a watershed moment in contemporary direct action history. On the one hand, people power showed it could disrupt, interrogate and even block those in power from their largely misguided work (or evil self-interested work, if you prefer). A self-consciously global movement against neo-liberalism shook capitals (and capitalists) around the world.

And, on the other fist, the authorities swiftly took a long hard look (no, not into their consciences, but) at their ongoing security arrangements. G8 and WTO style shenanigans have been held in increasingly remote, water-surrounded, illiberal, police state type locations ever since.

In America, Seattle helped spark the political will for a Neocon inspired clampdown on civil liberties to begin in earnest, culminating in a draconian new raft of measures brought in under the cloak of 9/11 and flag-waving patriotism. The War on Terror® masked a new wave of resistance-crushing. But is a new backlash against all this finally emerging back in the Homeland of the brave?

With Iraq smouldering away like a new Vietnam, over 9,000 anti-war protesters descended on Denver last week, marching to the gates of the Pepsi building – the un-ironical union-busting choice of venue for the Democratic Party convention being held to proclaim Barrack Obama as the latest saviour of the planet. OK, activists were helped with pulling in punters by a free Rage Against the Machine gig, but nonetheless this was one of the biggest such demonstrations seen in years.

And that was only the warm up. Even bigger things are planned for next week's Republican National Convention (RNC) in city of St Paul, Minneapolis. A large mobilisation, self-styled as the 'RNC Welcoming Committee', is expected and a full support infrastructure is in place, including convergence centres, training, legal aid, free use of bikes and more. Repression has been extensive in the build up with raids on social centres, indymedia offices and private homes.

And the flip side of the rampant post 9/11 expansion of military-gear-being-flogged-toparanoid-consumers means that this time the black bloc are expected to turn up in body armour and gas masks. It all looks set to kick off so watch this (convergence) space. www. protestrnc2008.org www.NoRNC.org and http://twincities.indymedia.org

## SchQUIDS-IN

52 anti-war protesters, arrested in New York in April 2003 at the height of the Iraq Invasion, have won \$2 million compensation. They were arrested outside offices of the Carlyle Group – the Bush-connected investment firm heavily involved in military contracts (See SchNEWS 380), but had criminal charges dismissed in the months that followed.

The four-year civil lawsuit which followed against the City of New York has resulted in this bumper pay-out. Police footage of the demonstration showed that the legal demonstration on the pavement gave ample room for other pedestrians, and that police arrested 94 without warning or giving the opportunity to leave. The lawsuit was focused on the police violating good 'ol US constitutional rights. \* See www.ccrjustice.org

#### continued...

### SEAS THE DAY IN PALESTINE

Weirdest thing happened last Saturday - a rare glimmer of good cheer from Gaza. Two boats from the Free Gaza movement arrived at Gaza's docks, having set off from Cyprus two days before.

The Israeli military had said that it was prepared to open fire on the unarmed civilian boats, the SS Free Gaza and the SS Liberty. This was not a threat to be taken lightly given Israel's willingness to shoot internationals who come peacefully supporting Palestinian rights - both Rachel Corrie and Tom Hurndall were murdered by the Israeli army in the Gaza Strip (See SchNEWS 405).

The last half century have been hard on Gaza. Since it was made the reluctant home of some 300,000 refugees from Palestine in 1948 (the bits now known as Israel), Gaza has always been at the forefront of Palestinian resistance. Gaza was where the First Intifada started, and it was in Gaza that the Palestinians' urban guerilla war persuaded the Israelis to leave, dismantling their settlements and pulling their troops out. Ever the sore loser, Israel simply moved its forces to Gaza's borders, ensuring that virtually nothing gets in or out of Gaza without their say so.

The noose around Gaza has been tightening year on year. Following the election of Hamas to government, the capture by Palestinian armed groups of an Israeli soldier, and then Hamas' armed takeover of the Strip, the stranglehold on Gaza has gotten tighter and tighter until now only tiny number of certain types of goods are allowed through. Gazan hospitals are virtually empty of medicine -107 classes of basic medicines are denied and there's no fuel for vehicles (and barely enough for cooking). Malnutrition amongst children and adults is reaching shocking levels.

For what it's worth the UN Palestinian refugees director John Ging has made some harsh comments (well, harsh for the UN), calling the siege 'profoundly inhumane and counter-productive' (you don't say).

A group of dedicated internationals did what they could to send a lifeline and message of solidarity to Gaza. Forty four people (including activists, academics, holocaust survivors and, not to forget, Tony Blair's sister in law) sailed with the two boats, arriving safely across the 200 miles that separates Cyprus from Gaza, despite having their communication and navigation gear jammed by an 'outside party'. In the end though, the Israelis decided not to intervene and try to stop the two ships - no doubt in large part due to the seriously bad PR they'd get from attacking a humanitarian mission (again). The 'Free Gaza' movement has scored a major victory in challenging the Occupation and Israel's brutal siege of the Strip. It has shown that if the will and the creativity is there it's possible to defy the Israeli brutality and get needed supplies through. Amongst the much-needed medical supplies they brought with them were hearing aids for children deafened by the constant explosions and sonic booms from Israeli warplanes.

The boat's breaking of the blockade has put Israel on the back foot - either they try and stop the boats and look like bullies in front of the world's press, or let the boats pass through and admit that international public opinion can have an effect on halting the Israeli state's actions.

Huwaida Arraf, a longtime Palestine activist who joined the seaborne siege breakers said, "We recognize that we're two humble boats, but what we've accomplished is to show that average people from around the world can mobilize to create change. We do not have to stay silent in the face of injustice. Reaching Gaza today, there is such a sense of hope, and hope is what mobilises people everywhere."

www.freegaza.org www.palsolidarity.org www.electronicintifada.net

#### BAYER TAPESTRY (OF LIES)

Back in SchNEWS 593 we reported on the sudden extinction of millions of bees, in countries all around the world, and the effect it all might have on food crop pollination. In America three quarters of a million colonies (60-70% in some areas) were lost but, despite coining the natty phase 'colony collapse disorder', scientists were at loss as to what was causing it. In the meantime, the costs for farmers using rented bees to pollinate their crops doubled.

Finally though, a breakthrough has been made and whaddya know! the fingers of suspicion have ended up pointing back at those friends-to-the-people multi-national corporations! Bayer pharmaceutical in this case.

In recent years they've been peddling a new pest-controlling chemical concoction containing a nerve toxin called Clothianidin. The always-slack and amenable-for-a-backhander US Environmental 'Protection' Agency duly passed it fit for use in 2003, despite cheerfully acknowledging the lack of necessary safety research data, merely asking Bayer if they'd think about submitting it at some time later. With the US market at it's mercy, the profits of doom could begin to be exploited by Bayer, despite the French having banned an older relative of the chemical in 1999 and subsequently declining approval for Clothianidin. French researchers found that bees were a lot more sensitive to the pesticides than Bayer claimed.

But sales rocketed, although not under the name Clothianidin, as it's not really safesounding and snappy. It was rebranded as Poncho and now sprayed all over corn, sugar beet and sorghum crops. The nerve toxin gets into all parts of the plant that grows from the coated seeds.

Within two years, bees started disappearing in large numbers. While Bayer CropScience bleat that studies have shown that bees' exposure to the pesticide is minimal or non-existent if the chemical is 'used properly', German state-sponsored research recently examined a large number of dead bees and established Clothianidin as the culprit, leading to German regulators banning its use three months ago.

German beekeepers and consumer advocacy groups have launched a complaint to force an official investigation of Bayer and how much they knew or suppressed research. And now in the US, a New York environmental group called the National Resources Defense Council, last week filed a lawsuit against the EPA.

Who'd have thought humble pesticides could have been bad for the environment. Whether Bayer ever get more than a slap on the wrists (they certainly won't be returning the loot they've made) or whether bee populations recover as bee-keepers start trying to keep their bees away from contaminated areas remains to be seen.

\* See Coalition against Bayer Dangers www. cbgnetwork.org



#### DAS IST NICKED

There will be an International Day of Solidarity on September 5th for the ten animal rights activists in Austria who have been detained on remand since May 21st after a large-scale and violent police raid (See SchNEWS 636).

After two court rulings, Mr Christian Moser was set free, after saying that he would abstain from animal rights activism, and that he had been suffering from depression and anxiety after being separated from his wife and three young children. The other nine remain in custody.

The "evidence" the police is relying on has come to light through interrogation. This includes: that the VGT (Austrian Association Against Animal Factories) meets in private places; that there were 5 emails out of 5000 over an 11 year period that sounded "radical"; and that some books, radio and TV programmes which Dr Martin Balluch (VGT President) was featured in mentioned the ALF! Such evidence comes from a billion Euro police operation, involving phone and email taps of 17 people for over one and a half years, three houses had their entrances filmed, two cars had tracking devices put on them and at least seven homes and offices were bugged. In addition, 20 people had their bank accounts monitored and 17 people were watched and followed for months. All in an attempt to smash the Austrian animal rights movement under Austrian anti-terror laws.

**\* In London there will be a demonstration** 11am-3pm, outside the Austrian Embassy, 18 Belgrave Mews West, Belgravia, London, SW1X. Tel 07806 266592 / 07806 266417

\* More info: www.vgt.at/index\_en.php or www.austriasolidarity.com

#### LOOK GOOD IN RED OR GREEN? CHOOSE A DEMO TO MATCH YOUR OUTFIT ...



Since 2001 over a million people have been killed worldwide by the US-UK War of Terror. EDO MBM/ITT supply weapons components for the US-UK war machine. Smash EDO has been campaigning for four and a half years to close down EDO. Our movement is growing, in June this year over 600 people came from around the country to the 'Carnival Against the Arms Trade'. The Carnival managed to reach the Brighton bomb factory despite police attempts to stop us! This time we expect a show of force from the police. We will not let them stop us showing our anger at EDO MBM's complicity in war crimes...

#### OCTOBER 15th 2008 - MEET 12 NOON

opposite Falmer Station, through the underpass, next to the Sussex University sign. (3 miles from Brighton Station)

Wear RED! Bring whistles, banners, drums... be ready to make some noise



www.directaction.info www.animalliberationfront.com

Make your stand against the vivisection industry and animal abusers at Sequani Labs. This protest is in solidarity with Sean Kirtley who was imprisoned by the state for supposedly organising protests against Sequani (See SchNEWS 634). Even though he has never broken the law himself at Sequani (and the police agree) he was sent to prison under new SOCPA legislation which shatters the right to organise and protest. **Directions by road:** From the M5 come off at Junction 8, onto the M50, and take Junction 2 onto the A417 after 4 miles then take 2nd exit on roundabout onto A449 to Ledbury. http://smashsequani.wordpress.com

## PARTY & PROTEST

There is a call-out for a 12 year reunion of the A30 protests in Devon at the Fairmile, Trollheim and Allercombe protest camps (See SchNEWS 105). For more info email olive@ukf.net 07974 803695. \*\* SEPTEM-BER: 2nd - Demo against Britain's Racist Immigration Laws - Fight Racism! Fight Imperialism! demonstration against Immigration reporting centres, where asylum seekers have to regularly report, and from which they are often detained without warning to begin the deportation process. Outside the UK Immigration Service, Communications House, 210 Old Street, London, EC1V. From 1pm to 2pm. 020 7837 1688, defendasylumseekers@yahoo. co.uk \*\* 7th - London Vegan Festival - Originally the National Vegan Festival, this year the London Festival celebrates its 10th anniversary. At Kensington Town Hall, Hornton Street, London W8. see www.vegancampaigns.org. uk/festival. \*\* 10th - Demonstrate at Labour Party conference - Stop the War Coalition demo in Manchester on the eve of the Labour Party bash, against this government's continuing participation in the wars in Iraq and Afghanistan. 12.30pm at All Saints, Cavendish Street, Manchester M15. www.stopwar.org.uk www.acbar.org **\*\* 13th - Bristol Anarchist Bookfair** - For all your anarchist literature and pamphletanalia. The first one in the Bristol area for fifteen years. 10-5pm at St Werburghs Community Centre, Horley Rd, Bristol BS2. www.bristolanarchistbookfair.org



## TREE CULL TARTS

Titnore Woods campaigners have sent out an urgent call for action before the October 9th deadline to object to the revised plan published by the council for a Tesco supermarket, housing and road development on the ancient woodland (See SchNEWS 547). While the two-year-old treetop protest camp has had huge success in forcing Worthing council to redraw the plans - saving 200 trees from destruction (see SchNEWS 562) - the new plans still involve a new housing and utility building complex. Help is needed now to fight the scheme and raise awareness in the local community. To read the planning application and for more info see www.protectourwoodland.co.uk/corc.htm

# ...and finally...

The credit crunch is biting. House prices down 10%, rent and mortgages up, energy bills rising and all the rest. Companies like property managers Sheffield Homes and Npower must be desperate to keep the profits flowing - so desperate in fact they taken to making speculative demands to customers in the forlorn hope that one of them will cough up a windfall. One Sheffield shopworker was rocked to her foundations recently when she received a recent rent arrears demand for £72 million for her £21 per week council house. Meanwhile, over in Cambridge, another woman was somewhat er... shocked to receive an electric bill demand for £90 million from Npower – the suppliers of her pay-in-advance meter.

Both companies naturally claimed these were bizarre administrative errors that never should have happened but we at SchNEWS aren't so sure. We warn everyone to check their bills carefully and make sure they don't accidentally pay over tens of millions of extra quids to these rotters – they might not give it back...

#### Disclaimer

SchNEWS warns all readers - we may be past our peak but we're not over the hill. Honest!

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