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Black Gold—a Series About Oil

Petrotyranny—the present day ~ Peter D. Carter

The first part of this article, 'Blood for Oil—a long history' appeared in our October 9, 2003 edition.

Because of the history of the oil industry, 'big oil' today is all 'Anglo-American.' For example, Esso began life in 1888 as the Anglo-American Oil Company. It was the first foreign affiliate of John D. Rockefeller's US company, the Standard Oil Trust. In 1911, the US Supreme Court ordered the dissolution of the Standard Oil Trust, resulting in the spin-off of 33 companies, one of which—Standard Oil (New Jersey)—acquired Anglo-American. In 1951, Esso ('SO') was adopted as the company name. Because use of the Esso trademark in the US was restricted, Standard Oil (New Jersey) chose Exxon as its US name in 1972.

With the military invasion of Iraq, the UK military did what it has been doing all along—commandeering all the world oil it can get. The US is now following in Britain's boot steps.

In the early days of the British Empire, military-minded entrepreneurs like Clive of India and Rhodes of Africa had to pay for their own armies. But now the Anglo-American oil corporations have their own armed forces, bought and paid for by their taxpayers—the British and American army, navy and air forces.

The US-UK military alliance in the invasion of Iraq marks the latest phase in the history of oil and war. This history is brilliantly documented in the book *The Prize: The Epic Quest for Oil, Money, and Power* by Daniel Yergin (3rd edition, 1991). Oil and war quite simply go together. Bigger wars driving bigger weapons driving more oil driving more war—the vicious cycle of our oil-based economy.

A later book, *Petrotyranny* by John Backer (2000), documents how the deadly trinity of oil, war and dictatorships presents the greatest challenge to human rights and freedom for the new millennium.

American involvement in Iraq follows the same pattern as Britain's. Since the decline of the British empire after World War II, the US and UK have agreed to world spheres of influence. Where oil is involved they often choose to deal with leaders who are tyrants willing to sell out the interests of their own people. Backer points out that the task of intelligence agencies like the CIA is to help tyrants like Saddam Hussein get to power, and to create chaos for people who elect domestically responsible

leaders like Venezuela's Hugo Chavez.

The US and the UK are numbers one and two in world arms exports. In 2002, Arab governments in the Middle East spent \$52 billion on their military forces, of which \$18 billion was for purchases from foreign countries. In the past decade, Saudi Arabia alone has spent over \$100 billion on weapons. According to the Federation of American Scientists, in the decade after the Gulf War (1991-2001) the US sold more than \$43 billion worth of weapons, equipment and military construction projects to Saudi Arabia, and \$16 billion more to Kuwait, Qatar, Bahrain and the United Arab Emirates. None of these are democracies.

The industrial economies and the combustion-engine culture of the US and UK depend heavily on cheap imported oil—now more than ever. The US built its oil-ravenous industrial economy and its military might on cheap Texas crude. And now the end is in sight for the UK's industrial boost from available (though more expensive) North Sea oil.

Meanwhile Iraq's proven oil reserves of 112 billion barrels rank Iraq's oil potential second in the world behind Saudi Arabia; it is estimated that up to 90% of Iraq remains unexplored due to years of wars and sanctions. Unexplored regions of Iraq could yield an additional 100 billion barrels. Iraq's oil production costs are among the lowest in the world. Only about 2,000 wells have been drilled in Iraq, compared to about 1 million wells in Texas alone. Even Baghdad sits on an oil field.

The citizens of Western democracies feel dependent on comfort-level home heating, air conditioning, and gas-guzzling sports utility vehicles. Ignoring global warming, the citizenry yells 'revolution' at any threat of gasoline price hikes. It is still the military that ensures a steady supply of oil, controlled at the right price for our oil-dependent economies.

While Al Gore saw that the future depends on winding down the internal combustion engine oil economy (*Earth in the Balance*, 1992) and switching to renewables, the Bush family oil-made dynasty has committed itself and the US to more oil. President Bush is hooking the American way of life and our Western standard of living on oil like never before.

Unfortunately the attractiveness of alternative, non-polluting, energy sources has made them seem a threat to big oil.

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Petrotyranny suggests that a renewable energy fuelled world economy offers a far better chance of world peace.

But, of course, the most oil-dependent industry of all is the manufacture of armaments. B-52s and aircraft carriers won't work on solar power. No products in the world consume more

oil.

The US culture is arguably now the most weapons-obsessed culture in history. And the top brass of Her Majesty's armed forces doubtless still dream of days of empire on which the sun never set. Now it is the Anglo-American empire. ☞

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