



FROM THE WILDERNESS

*A Nonpartisan Non-sectarian MAP from the Here That Is,
Into the Tomorrow of Our Own Making*

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- Special Report, Berlin Conference on Peak Oil
- World Developments Catch Up With Policy Debates

Peak Oil Revisited – The Bill Collector Calls

by
Michael C. Ruppert

*I must not fear.
Fear is the mind-killer.
Fear is the little death that brings total obliteration.
I will face my fear.
I will permit it to pass over me and through me.
And when it has gone past, I will turn the inner eye to see its path.
Where the fear has gone there will be nothing.
Only I will remain.*

-- Frank Herbert, *DUNE*

The one thing that every Middle Eastern leader, manager, and planner who dreams of holding his country together fears now, is that there will be a widespread uprising, inspired by the perceived victory against Spain after Madrid, and Spain's withdrawal from Iraq, that it might prompt much of the Muslim world to start attacking oil facilities everywhere. This is the way they see that has worked to defeat the West and to avenge their grievances. May God help us all if that happens. Stability must come to Iraq. But how?

-- Anonymous Middle Eastern Participant at the Third Conference of the Association for the Study of Peak Oil and Gas – Berlin, May 2004

JUNE 21, 2004: 11:00 PDT – (BERLIN, LOS ANGELES), *FTW* began writing about Peak Oil in the summer of 2002. It was much more difficult then to discuss Peak Oil, what it means or how certain, quick and defiant was to be its arrival. Denial in many minds was so instant and overwhelming that only a trained eye could see its millisecond appearance before encountering the brick wall of a closed mind.

That was then. This is now.

(Cont'd on page 16)

From the Wilderness

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COUP D'ETAT:

The Real Reason Tenet and Pavitt Resigned from the CIA on June 3rd and 4th

Bush, Cheney Indictments in Plame Case Looming

by

Michael C. Ruppert

additional reporting by

Wayne Madsen from Washington

JUNE 8, 2004 1600 PDT (FTW) - Why did DCI George Tenet suddenly resign on June 3rd, only to be followed a day later by James Pavitt, the CIA's Deputy Director of Operations (DDO)?

The real reasons, contrary to the saturation spin being put out by major news outlets, have nothing to do with Tenet's role as taking the fall for alleged 9/11 and Iraqi intelligence "failures" before the upcoming presidential election.

Both resignations, perhaps soon to be followed by resignations from Colin Powell and his deputy Richard Armitage, are about the imminent and extremely messy demise of George W. Bush and his Neocon administration in a coup d'etat being executed by the Central Intelligence Agency. The coup, in the planning for at least two years, has apparently become an urgent priority as a number of deepening crises threaten a global meltdown.

Based upon recent developments, it appears that long-standing plans and preparations leading to indictments and impeachment of Bush, Cheney and even some senior cabinet members have been accelerated, possibly with the intent of removing or replacing the entire Bush regime prior to the Republican National Convention this August.

FTW has been documenting this Watergate-like coup for more than fifteen months and almost everything we will discuss about recent events was predicted by us in the following pages: Please see our stories "The Perfect Storm - Part I" (March 2003); "Blood in the Water" (July 2003); "Beyond Bush - Part I" (July 2003); "Waxman Ties Evidentiary Noose Around Rice and Cheney" (July 2003); and "Beyond Bush - Part II" (October 2003).

There were two things we didn't get right. One was the timing. We predicted the developments taking place now as likely to happen after the November election, not before. Secondly, we did not foresee the sudden resignations of Tenet and Pavitt.

(Cont'd on page 8)

Conspiracy and the State of the Union

By
Jamey Hecht, PhD

Peter Dale Scott: "If a nation decides to live by lies, it has chosen a course of intellectual stagnation, and ultimately of political decay."
The Assassinations, 1975 (ix).

John Newman: Let me introduce myself. I'm a conspiracy theorist.
JFK Lancer's 'November In Dallas' conference presentation, 1999

John Judge: Call me a conspiracy theorist if you like, so long as you call yourself a coincidence theorist.
Coalition On Political Assassinations (COPA) presentation, 2002

Philip Berg: Conspiracy is among the most common legal categories of crime - conspiracy to commit murder; conspiracy to commit fraud, conspiracy to provide material support to a terrorist act, and on and on.
*International Citizen's Inquiry Into 9-11, Phase One:
San Francisco presentation, 2004*

Greg Palast: People tell me they don't believe in conspiracy; I tell them, look - I have the minutes of the meetings! What more do you want?
Interview, in Election 2000 documentary "Unprecedented"

Kevin Costner's character "Crash Davis" in the film Bull Durham: "I believe Lee Harvey Oswald acted alone; I believe there ought to be a constitutional amendment outlawing Astroturf and the designated hitter..."

E. Martin Schotz: "One of the primary means of immobilizing the American people politically today is to hold them in a state of confusion in which anything can be believed and nothing can be known... nothing of significance, that is."
History Will Not Absolve Us: Orwellian Control, Public Denial, and the Murder of President Kennedy

Michael C. Ruppert: I am not a conspiracy theorist. I deal in conspiracy fact.
From The Wilderness

Introduction: To Love the Old Republic Is Patriotism; To Love the Empire Is Nationalism

The United States is extraordinary. The idealism of our founding documents proceeded straight from the 18th Century's Enlightenment principles of the universal rights of human beings. Though the Indian genocide, the genocidal African slave trade, and the lack of women's suffrage tore gaping holes in the American application of these principles, our Constitution remained among the world's best hopes for the achievement of equality, opportunity, and civic peace. The French Revolution emulated our own; the 1994 post-apartheid Constitution of South Africa - one of the most beautiful documents of hope ever conceived - was modeled on these same American documents, and as the Reverend Dr. Martin Luther King Jr. pointed out, national liberation movements the world over (including post-French Vietnam in 1945) have taken our Declaration of Independence as the template of their own Declarations. Rather than list each of the remarkable advances our democracy has made - from the Bill of Rights to the Progressive legislation of the Roosevelt, Taft, and Wilson administrations, to Robert Kennedy's Civil Rights Act of 1964 - let me point out that each significant improvement was driven by popular participation in civic life: in a word, democracy.

Dissidents are patriotic speakers and writers - in the best cases, anti-nationalists - whose arguments have not yet won the day. If ever the merits of their cases are established and their ideals legitimated, others come to recognize the urgent benevolence that motivated their dissent, and their faces appear on postage stamps with those of Thom Paine, Crazy Horse, and Paul Robeson. Later on down the road, I'm looking for M. King Hubbard on the twenty-dollar gold piece.

A critic is an interpreter who uses his or her mind and heart to clarify a situation or a text for the effective benefit of the larger public. Political criticism is a vexed but noble attempt to think past the limits of official opinion and earnestly diagnose the legitimacy of our political institutions and their occupants. Critics of the national security state are marginalized as dreamers, sometimes brilliant in their efforts at information gathering and critique, but generally unable to dramatically change the brutal order of realpolitik they denounce. The public they address is often indifferent, powerless, and thoroughly distracted from issues of the greatest possible relevance to their own well-being.

Daily I remind myself of the words of the 19th century poet Holderlin: "Where the danger grows, there also grows the power of salvation." Atheist that I am, I hear those words in a thoroughly political spirit, one that isn't at all alien to that poet's historical moment: the Romantic movement - a living current of European thought that briefly flooded into the public mind with a sublime message of human value, borne along by a new stream of inspired art, music, poetry, and political essays. When I read an astute dismissal of the worst of contemporary popular culture (such as the one found in Dale Allen Pfeiffer's excellent "Call For Action," FTW 06-15-04), I think of powerful alternatives past and present: the poetry and prose of Percy Bysshe Shelley, John Keats, and Walt Whitman; the Hip-Hop of Dope Poets Society, Clarity, and KRS-1; the films of Shadow Government Television, Guerilla News Network, and Snowshoe Films. Let me pause to show you why I get so worked up about this. Here's a granite chunk of verse (lines 168 - 202) from Shelley's longpoem "Queen Mab."

War is the statesman's game, the priest's delight,
The lawyer's jest, the hired assassin's trade,
And to those royal murderers whose mean thrones
Are bought by crimes of treachery and gore,
The bread they eat, the staff on which they lean.
Guards, garbed in blood-red livery, surround
Their palaces, participate the crimes
That force defends and from a nation's rage
Secures the crown, which all the curses reach
That famine, frenzy, woe and penury breathe.
These are the hired bravos who defend
The tyrant's throne--the bullies of his fear;
These are the sinks and channels of worst vice,
The refuse of society, the dregs
Of all that is most vile; their cold hearts blend
Deceit with sternness, ignorance with pride,
All that is mean and villainous with rage
Which hopelessness of good and self-contempt
Alone might kindle; they are decked in wealth,
Honor and power, then are sent abroad
To do their work. The pestilence that stalks
In gloomy triumph through some eastern land
Is less destroying. They cajole with gold

And promises of fame the thoughtless youth
Already crushed with servitude; he knows
His wretchedness too late, and cherishes
Repentance for his ruin, when his doom
Is sealed in gold and blood!
Those too the tyrant serve, who, skilled to snare
The feet of justice in the toils of law,
Stand ready to oppress the weaker still,
And right or wrong will vindicate for gold,
Sneering at public virtue, which beneath
Their pitiless tread lies torn and trampled where
Honor sits smiling at the sale of truth.

Now there are new collective entities - comprising individual motivated men and women who can think for themselves, but who share crucial information; who are through with the circular commentary of the gatekeeping left, plaintively chanted in the pages of *The Nation* month after month; who don't need or want the doctrinaire rigidity of the Trotskyist International, nor the totally spontaneous and structureless episodic style of the anarchist movement. Of my involvement with FTW, therefore, I am more proud than I can say. I consider it foremost among the new, knowledge-driven vehicles of results-oriented activism.

Yet the forces of violence, reaction, and American exceptionalism can claim a long series of epochal triumphs, of which I will name only the most egregious: Operation Paperclip, which brought the Nazi Intelligence "community" into the nascent CIA (thereby rescuing the most depraved murderers in history from certain death at the hands of British military tribunals); the National Security Act of 1947, which established the CIA as a secret society of military adventurism and political sabotage under the guise of an intelligence-gathering body; the murders of President Kennedy, Senator Robert Kennedy, the Reverend Dr. Martin Luther King Jr, which issued in a disastrous Vietnam War that killed up to three million people and pitched the U.S. economy into a permanent free-fall of debt; the Savings and Loan Robbery, which did so much to bankrupt the vanishing middle class; the 1990's three trillion dollar theft under the auspices of the departments of Defense and Housing and Urban Development (HUD), which motivated America's international creditors to begin withdrawing their confidence from the dollar; and the "velvet coup" of the fraudulent presidential election of 2000, which openly discredited the residual myth of popular sovereignty. But perhaps 11-22-63 and 9-11-01 are the deepest wounds they have inflicted upon the body politic so far. These represent two seizures of state power by the most violent elements of the longstanding elites who make policy in the absence of popular sovereignty and genuine legislative oversight. In the meantime, they have consolidated their power and expanded their domain of operations and propaganda with an inexorable momentum.

Policy is no longer driven by leadership figures, but by consortia of mutually interested elites. Like the forty years since 11-22, the three years since 9-11 have seen exponential growth in defense spending as a portion of the USG's annual budget. Between forty-six and fifty-three cents of every tax dollar we pay goes to military debt payments, salaries, deployments, and weapons stockpiling. This flood of capital into the arms industry drives a domestic policy of despair and a "foreign" policy of violence. Weapons are expended so that they can be replaced; their manufacture enriches Lockheed-Martin, the largest purveyor of lethal weapons in the world, and its competitive partners. In pursuit of new raw materials to seize and new markets to monopolize, corporations and their clients drive policy toward aggressive expansionism. CIA is the spearhead of the war process, so its activity has been cloaked from all genuine Congressional interference. The beauty of the CIA's position is that it apparently always takes its orders from the President, but for the most part it also insures that the President orders roughly what CIA wants. When he doesn't do so, and seeks to replace their programs with his own initiative, he is murdered; when he insists on forming his own intelligence apparatus inside the White House or the Pentagon - as in the Nixon and G. W. Bush administrations, respectively - the CIA is likely to destroy the administration. Whenever the latter occurs, the administration is unseated on the strength of some nonviolent crime like a "third rate burglary" or the disclosure of a CIA operative's identity. Bombing Vietnam and Cambodia or Afghanistan and Iraq at the cost of thousands of lives never ranks as an impeachable offense.

Only a handful of Senators have endured the overwhelming personal and political risk of applying even a kernel of real power to the disciplining of the Intelligence "community": Senators Frank Church, Gary Hart, Richard Schweiker, Richard Shelby, Charles Grassley, and Rep. James Traficant are among this small number; in wishful moments, I'm tempted to list John Kerry there.

Since the Vietnam War, the diplomatic arm of the U.S. government has withered into a propagandistic rubber-stamp instrument. Whereas the Department of State was once so powerful that its Secretary shaped foreign policy by reporting viable options to the Chief Executive, today the Department has been reduced to visa functions, information gathering, and statute enforcement. But as we've seen (and as former U.S. Consulate and Foreign Service official Mike Springman has made bitterly clear from personal experience), CIA regularly overrides the visa authority of State (often with murderous results), and intelligence agents of all sorts violate the Arms Export Control Act at with an institutionalized impunity. To view the heartbreaking laxity of this law, see the page on the website of the State Department which explains its mandate.

One more bitter irony is the CIA's use of the State Department as a hidden channel for its covert programs; more broadly, State is a tool for the implementation of policies driven by the lobbies from oil, arms, drugs, and construction. If it were really a public (and not a private) institution, the diplomatic arm of a democratic government, it would advance diplomacy-based solutions to international crises. Instead, private firms (e.g., Kellogg, Brown and Root; DynCorp; Halliburton; Bell; Bechtel; Boeing; etc.) and their proxies in the NSA and NSC (e.g. Oliver North, Elliot Abrams, John Poindexter, etc) and CIA (e.g. Ray Cline, Laili Helms, etc.) wield it as one special sword-and-shield in their vast tactical arsenal. Colin Powell, the current Secretary, is a military man whose rise to power began with his cover-up of the Mi Lai massacre. Where the public perception of Powell's role in the months leading up to Gulf War II was that of a moderate who pushed for diplomacy, at the crucial moment Powell neither strategized for such a policy, nor resigned in protest: he became the very spokesperson of the martial policy he had formerly seemed to oppose. In doing so by means of false documents, it's been suggested that Powell made the State Department look both servile and conniving. And he certainly committed a repetition of the "moral suicide" that started his political career.

So much for diplomacy. As for an informed electorate, all major American newspapers and television networks are owned by defense corporations like G.E. The Permanent Warfare State has absorbed the media into its own project, neutralizing mainstream American journalism. Even the largest and oldest Leftist journal, *The Nation*, utterly fails the 9-11 test that any reliable news outlet must pass. In this case, as in that of 11-22, journalistic integrity can be measured by the frequency with which the phrase "intelligence failures" appears in its pages. As I've written elsewhere, crime and failure are not the same thing.

Elsewhere on the Left, Noam Chomsky and Alexander Cockburn seem to me quite wrong about 11-22 and its significance, though they are otherwise important critics of the long history of imperial American violence and political sabotage. Yet both writers argue that leadership figures count so much less than the elites they represent, that it doesn't much matter who is in office. This kind of thinking prizes independence more than insight; since others quarrel over who bears primary responsibility for the JFK murder, one can easily find a fresh position by simply declaring that the assassination itself is a red herring, the wrong place to look for an understanding of politico-economic reality. A single hearing of the American University Speech, a single reading of NSAM-263, ought to persuade anyone so circumspect as Noam Chomsky that unique officeholders do emerge, at least once or twice per century. But it doesn't.

Because of their genius and the painful but powerful psychic integrity of their inner lives, the brothers Kennedy were gradually transformed from opportunistic anti-communists into prophets of peace, justice, and diplomacy. Having read NSAMs 263 and 273, having heard the recordings of the American University speech and Robert Kennedy's speech at Cape Town, and having seen the Zapruder film one thousand times, one can appreciate what was at stake in the period of heightened political struggle that began in January 1961 and ended in June 1968. Whereas *Rush To Judgment* was the best-selling book in America throughout 1966, most of today's journalistic readership considers the passage of the JFK Records Act a proof that there is nothing significant in the files, so that reading about them would be a waste of effort. Paradoxically and yet predictably, the passage of the JFK Records Act marks the beginning of the period in which 11-22-63 no longer matters much in the official political order. Even if by some miracle LBJ, Hoover, Ed Lansdale and Alan Dulles were posthumously tried and found heinously guilty, nothing would change in the affairs of the current regime. The Carter Administration marks the end of presidential politics for the victors of 1964 and their hangers on. Current and future administrations do not share with Johnson, Nixon, and Ford the personal terror of being found out regarding "The Whole Bay of Pigs thing."

Disputes among critics are harmless compared to the government's assault on the public mind. Given what we now know about the national and global consequences of this assassination, our trouble in 2004 has grown more or less directly out of 11-22-63. And in response to the pressures of recession, the Patriot Act, endless war, and the events of 9-11-01 - in other words, in response to the dawning reality of Peak Oil - the Political Justice movement is indeed growing, and many of those drawn to it find themselves led on as if by a specter to the 9-11 and / or the Kennedy Assassinations. Whether their initial interest is in heroin traffic, CIA black ops, police malfeasance, Constitutional history, the Federal Reserve, US-Latin American economic partnership, or any other aspect of the modern world, sooner or later the myriad implications of these events become relevant, and on looking at the evidence, another critic is born.

Wrong In All Directions: The Term "Conspiracy Theory"

This phrase is among the tireless workhorses of establishment discourse. Without it, disinformation would be much harder than it is. "Conspiracy theory" is a trigger phrase, saturated with intellectual contempt and deeply anti-intellectual resentment. It makes little sense on its own, and while it's a priceless tool of propaganda, it is worse than useless as an explanatory category.

"Theory" is a term from Plato, derived from the Ancient

Greek *theorein*, "to see." From it we get the word "theater." Theory is a conceptual overview of the way something works. In science, the word refers to a guiding set of concepts derived from testable hypotheses about a domain of facts in nature or procedures in an art.

When the evidence is gathered together, some observer sees it in such a way that it configures an hypothesis.

When that hypothesis is verified by induction and experiment, it can be gathered together with similar hypotheses from analogous cases.

If we say, *9-11 was orchestrated by the bin Laden organization, the Pakistani intelligence agency, and elements of the neoconservative group that seized power in 2000*, that's an hypothesis, derived logically from a set of documented facts that constitute evidence. It isn't a theory. It can become part of a theory if it's joined with other hypotheses into a coherent descriptive pattern that can help to predict future events in general terms.

For instance, the amply demonstrated hypothesis that the 35th President of the United States was murdered by a consortium of interests including the CIA, Cuban exiles, organized crime, and the military. 11-22 and 9-11 are examples of premeditated murder by more than one person - in law, they are cases of conspiracy to commit murder (and fraud, and perjury, and treason). Taken together, they imply a theory whose greatest expression is the work of Peter Dale Scott, who coined the term *deep politics*: "the constant, everyday interaction between the constitutionally elected government and forces of violence, forces of crime, which appear to be the enemies of that government." Deep politics is a robust theory, a powerful explanatory account of demonstrable phenomena; it applies to myriad cases and offers a unified understanding of their causes and meanings. Like Goethe's conceptual account of color, and like Newton's rival account which refuted it, Scott's deep-political theory applies uniformly to the domain it describes.

Conspiracy, on the other hand, is a hypothesis about a particular case at hand. The only rigorous meaning that the phrase "conspiracy theory" can have would be that political crimes involving more than one actor are usually exceptional episodes unrelated to one another - rather than the ongoing, systemic and unacknowledged relationships between authorities and the criminals they are paid to hinder and to punish.

The appeal of the phrase "conspiracy theory" lies in the slang meaning of "theory": unproven and even unprovable claims about the way things get done in government and business. But there are two problems here.

First, a theory is still rightly called a theory long after it has been proven, even to the limits of human understanding. Einstein's theory of Relativity and Darwin's theory of evolution are incomplete, like every product of human thought. But they are as certain as any grounds we can give for them, as certain as the palpable facts on which they rest. The public imagines that this word "theory" implies confusion and controversy. It doesn't.

The second problem is this: in order for a theory to be worthy of that name, it must be *falsifiable*. This is a term invented by Karl Popper; it means that your description of events has to be demonstrably true based on valid experiments - or genuine evidence - that might otherwise have proven it demonstrably false. Like the hypotheses that form its bones and flesh, a theory must turn out to be either true or false, or it's not a theory. For instance, consider the beautiful claim that the world is governed by a God who rules by reward and punishment. Nothing observable counts as evidence for or against the claim. If I say "show me a sign," an immediate lightning bolt on my head is not evidence of a God any more than the absence of a sign is evidence against it. Nothing can count as a test, so theism is not a theory; it can be something too wonderful to describe, but - true, false, or paradoxical - it isn't theoretical. Relativity, however, is a theory of the natural world, verified by experiments like Michaelson-Morley which demonstrated its conformity to observable facts - and had the experiments turned out differently, the theory would have been falsified. The public thinks falsifiability means that the theory can already be disproved and is therefore wrong. It actually means that the theory is either right or wrong, but not meaningless.

- In a criminal conspiracy, Arthur Anderson and Enron defrauded investors and employees of billions of dollars. But they also compromised the S.E.C., the Congress, the executive branch, and the duck-hunting judicial branch in order to make part of this activity technically legal. That's deep politics.
- In a criminal conspiracy, a core group of Secret Service personnel (Roberts, Greer, Boring, etc.) conspired with elements of the CIA (Phillips, Angleton, Dulles, etc.) to murder the 35th President of the United States. But they also collaborated with organized crime figures (Trafficante, Giancana, Marcello, etc.), paramilitary groups, and international heroin traffickers. That's deep politics.

Because so much of America's real business gets done at a politically deep level, any discussion of it tends to be part of a psychological tug-of-war. The person who brings the undesirable story to the public is "peddling" a conspiracy theory; if the story should happen to be any more complex than "lone gunman does really bad thing for no apparent reason," then it's a "grab-bag" or a

"hodgepodge" of such "theories." In response, the critic is forced to point out that all this hysteria is the byproduct of dangerous levels of denial in the public and in the media.

But I'd like to make a different gesture for a moment, the kind that was often made in response to President Nixon's criminal behavior (and is being made today by authors like Mark Crispin Miller and Robert Jay Lifton). Dumbfounded at the sight of his murderous and self-defeating hypocrisy, many critics approached Nixon as a walking museum of mental ailments. While G.W.B. has none of Richard Nixon's intellectual resources, his conduct is so irrational that it cries out for analysis in Freudian terms. As the instrument of elites he can't understand, Bush needs to convince himself that the decisions he pronounces are in fact his own. He is the kind of figurehead who really believes that he is steering the ship. Unlike his homicidally clever father, this man has no real-life achievement on which to base an identity of his own. Having never won a fair fight in his life (to borrow a phrase from John Judge), terribly uncomfortable with the failed self he had on his hands "when I was a drinkin' man," Bush became "born again." That's always a radical move to make, and at its best it quiets down a person's inner noise so he or she can hear the wisdom of some sacred text or other. But Bush is not listening, and I suspect his transformation was actually a fool's golden ticket to un-earned self-esteem: in other words, deficit spending.

A Call for Action

By
Dale Allen Pfeiffer

(excerpt from full story)

An End to Business as Usual

Business as usual can no longer be allowed to proceed. To go on with business as usual is to promote the collapse of civilization, the destruction of ecosystems, the death of billions of human beings, untold suffering and impoverishment for those who survive, and just possibly the extinction of life on this planet at a level to match or exceed the end of the Permian Era. And all this to ease our consciences, as we allow the end play of unbridled greed and ignorance.

We cannot trust our elected leaders to do the right thing, much less our corporations. There is very little time left,

and it could very well be impossible at this point to re-design our entire civilization. But we can possibly re-structure our own lives and our local communities to survive the transition. This is our duty to generations to come, and to the rest of the biosphere.

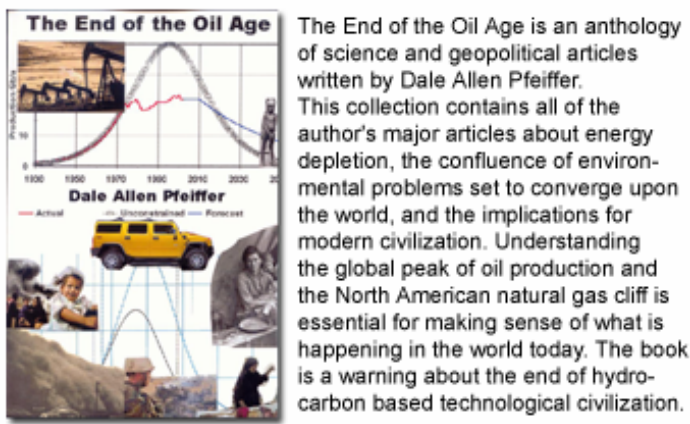
But we need options and advice. We need practical suggestions which can be undertaken by individuals, families and small communities. We need guidance on what can be achieved at a local level with limited means. And we need advice on how to achieve this in the most democratic and egalitarian manner possible.

To aid in this, I am here soliciting advice from specialists in various fields, such as permaculture, social ecology, progressive labor, and other disciplines. And I am putting out a call for articles from anyone who feels that she or he has some advice to offer. The topic is: Given the conditions set forth in this paper, what measures can people of limited means undertake to ease their transition into a post-technological world?

The resulting suggestions will be collected, along with this essay, and published. Any profits from this project will be used to educate people about the changes ahead, and hopefully to offer grants in order to help people prepare for the transition.

Dale Allen Pfeiffer
Geologist, Science Journalist, Novelist
Holly, Michigan, USA
April 26th, 2004

FOR THE COMPLETE "CALL TO ACTION" INCLUDING SUBMISSION GUIDELINES, PLEASE SEE:
http://www.fromthewilderness.com/free/ww3/061504_call_action.html



The End of the Oil Age is an anthology of science and geopolitical articles written by Dale Allen Pfeiffer. This collection contains all of the author's major articles about energy depletion, the confluence of environmental problems set to converge upon the world, and the implications for modern civilization. Understanding the global peak of oil production and the North American natural gas cliff is essential for making sense of what is happening in the world today. The book is a warning about the end of hydrocarbon based technological civilization.

The End of the Oil Age
by Dale Allen Pfeiffer
\$14.24 + s&h

Get your copy today at: www.fromthewilderness.com/

(COUP D'ETAT — Cont'd from page 2)

Understanding the resignations is the key to understanding a deteriorating world scene and that America is on the precipice of a presidential and constitutional crisis that will ultimately dwarf the removal of Richard Nixon in 1974.

So why did Tenet and Pavitt resign? We'll explain why and we will provide many clues along the way as we make our case.

HIGH CRIMES AND REALLY STUPID MOVES

Shortly after the "surprise" Tenet-Pavitt resignations, current and former senior members of the U.S. intelligence community and the Justice Department told journalist Wayne Madsen, a former Naval intelligence officer, that they were directly connected to the criminal investigation of a 2003 White House leak that openly exposed Valerie Plame as an undercover CIA officer. What received less attention was that the leak also destroyed a long-term CIA proprietary intelligence gathering operation which, as we will see, was of immense importance to US strategic interests at a critical moment.

The leak was a vindictive retaliation for statements, reports and actions taken by Plame's husband, former Ambassador Joseph Wilson, which had deeply embarrassed the Bush administration and exposed it to possible charges for impeachable offenses, including lying to the American people about an alleged (and totally unfounded) nuclear threat posed by Iraq's Saddam Hussein. Conservative columnist Robert Novak, the beneficiary of the leak, immediately published it on July 14, 2003 and Valerie Plame's career (at least the covert part) instantly ended. The actual damage caused by that leak has never been fully appreciated.

Wilson deeply embarrassed almost every senior member of the Bush junta by proving to the world that they were consciously lying about one of their most important justifications for invading Iraq: namely, their claim to have had certain knowledge, based on "good and reliable" intelligence, that Hussein was on the brink of deploying a nuclear weapon, possibly inside the United States. It was eventually disclosed that the "intelligence" possessed by the administration was a set of poorly forged documents on letterhead from the government of Niger, which described attempts by Iraq to purchase yellowcake uranium for a nuclear weapons program.

It has since been established by Scott Ritter and others that Iraq's nuclear weapons program had been dead in the water and non-functioning since the first Iraq war.

Wilson was secretly dispatched in February 2002,

on instructions from Dick Cheney to the CIA, to go to Niger and look for anything that might support the material in the documents. They had already been dismissed as forgeries by the International Atomic Energy Agency, the CIA, and apparently everyone else who had seen them. The CIA cautioned the administration, more than once, against using them. Shortly thereafter, Wilson returned and gave his report stating clearly that the allegations were pure bunk and unsupportable.

In spite of this, unaware of the booby traps laid all around them, the entire power core of the Bush administration jumped on the Niger documents as on a battle horse and charged off into in a massive public relations blitz. Bush, Cheney, Rice, Rumsfeld, Powell, Wolfowitz and others - to varying degrees - insisted, testified, and swore that they knew, and had reliable, credible and verified intelligence that Saddam was about to deploy an actual nuclear device built from the Niger yellowcake.

It was full court media press and they successfully scared the pants off of most Americans who believed that Saddam was going to nuke them any second.

George Bush made the charge and actually cited the documents in his 2003 State-of-the-Union address, even after he had been cautioned by George Tenet not to rely on them. In a major speech at the United Nations, Colin Powell charged that Iraq was on the verge of deploying a nuke and had been trying to acquire uranium. Dick Cheney charged in several speeches that Saddam was capable of nuclear terror. And shortly before the invasion, when asked in a television interview whether there was sufficient proof and advance warning of the Iraqi nuclear threat, a smug and confident Condoleezza Rice quipped, "If we wait for a smoking gun, that smoking gun may be a mushroom cloud over an American city." Rice was lying through her teeth.

By July of 2003, as the Iraqi invasion was proving to be a protracted and ill-conceived debacle, executed in spite of massive resistance from within military, political, diplomatic and economic cadres, there was growing disgust within many government circles about the way the Bush administration was running things. The mention of Wilson's report came in July though his name was not disclosed. It suggested corroborative evidence of criminal, rather than stupid, behavior by the administration. The San Francisco Chronicle reported:

A senior CIA official, who spoke on condition of anonymity, said the intelligence agency informed the White House on March 9, 2002 - 10 months before Bush's nationally televised speech - that an agency source who had traveled to Niger could not confirm European intelligence reports that Iraq was attempting to buy uranium from the West African country.

Note the reference to an Agency source.

It was inevitable that Wilson would move from no comment, to statements given on condition of anonymity, and finally into the public spotlight. That he did, in a July 6th New York Times Editorial titled "What I Didn't Find in Africa." Soon he was giving interviews everywhere.

On July 14th Novak published the column outing Wilson's wife, Valerie Plame. As a result, any criminal investigation of the Plame leak will also go into the Niger documents and any crimes committed which are materially related to Plame's exposure.

Instead of retreating, Wilson advanced. In September he went public, writing editorials and granting interviews which thoroughly exposed the Bush administration's criminal use of the documents, Cheney's lies about the mission, and all the other lies used to deceive the American people into war.

At the moment he went on the record, Wilson became another legally admissible, corroborative evidentiary source; a witness available for subpoena and deposition, ready to give testimony to the high crimes and misdemeanors he has witnessed.

First Clue: James Pavitt was Valerie Plame's boss. So was George Tenet.

HOW THE TRAP WAS SET

Conflicting news reports suggest that perhaps several sets of the documents were delivered simultaneously to several recipients. I could find only one news story (out of almost 60 I have reviewed) which indicated just when the Niger papers were first put into play. One of the most fundamental questions in journalism, "when?" was omitted from every major press organization's coverage except for a single story from the Associated Press on July 13th.

... [T]he forged Niger government documents, showing attempts by Iraq to purchase yellowcake, were delivered by unknown sources to a journalist working for Italy's Corriere della Sera which then gave them to the Italian intelligence service. She then reportedly gave them to Italian intelligence agents who gave them to the US embassy. Seymour Hersh of the New Yorker also offered this version indicating that the documents had surfaced in Italy in the fall of 2001.

The fall of 2001. That means that the documents were created no more than three and a half months after September 11th.

The earliest press report mentioning the documents was a March 7, 2003 story in *The Financial Times*.

On that day, Mohammed El Baradei, head of the International Atomic Energy Agency reported to the UN Security Council that the documents were forgeries. The story contained a revealing paragraph.

"The allegation about the uranium purchase first surfaced in a UK government dossier published on September 24 last year about Iraq's alleged weapons programmes, though it did not name Niger. Niger was first named when the US State Department elaborated on the allegations on December 19 [2002]..."

Canada's Globe and Mail reported on March 8, 2003:

...[T]he forgeries were sold to an Italian intelligence agent by a con man some time ago and passed on to French authorities, but the scam was uncovered by the IAEA [International Atomic Energy Agency] only recently, according to United Nations sources familiar with the investigation. The documents were turned over to the IAEA several weeks ago.

"In fact, the IAEA says, there is no credible evidence that Iraq tried to import uranium ore from the Central African country in violation of UN resolutions.

"Based on thorough analysis, the IAEA has concluded, with the concurrence of outside experts, that these documents, which formed the basis for the reports of these uranium transactions between Iraq and Niger, are, in fact, not authentic," Mr. El Baradei told the UN Security Council Friday....

The *Chicago Tribune* reported on March 13, 2003, "Forged documents that the United States used to build its case against Iraq were likely written by someone in Niger's embassy in Rome who hoped to make quick money, a source close to the United Nations investigation said.

The *Washington Post* gave yet a different story, also on March 8, 2003:

...Knowledgeable sources familiar with the forgery investigation described the faked evidence as a series of letters between Iraqi agents and officials in the central African nation of Niger. The documents had been given to the U.N. inspectors by Britain and reviewed extensively by U.S. intelligence. The forgers had made relatively crude errors that eventually gave them away - including names and titles that did not match up with the individuals who held office at the time the letters were purportedly written, the officials said..."

...The CIA, which had also obtained the documents, had questions about "whether they were accurate," said one intelligence official, and it decided not to include them in its file on Iraq's program to procure weapons of

mass destruction.

In a follow-up story on March 13th the Post reported:

It's something we're just beginning to look at," a senior law enforcement official said yesterday. Officials are trying to determine whether the documents were forged to try to influence U.S. policy, or whether they may have been created as part of a disinformation campaign directed by a foreign intelligence service...

...The phony documents - a series of letters between Iraqi and Niger officials showing Iraq's interest in equipment that could be used to make nuclear weapons - came to British and U.S. intelligence officials from a third country. The identity of the third country could not be learned yesterday.

What if it wasn't a foreign intelligence service? I had been suspicious that a Watergate-like coup was forming immediately after reading the first few stories about the documents. I was convinced when the AP reported on March 14, 2003 (just days before the Iraqi invasion) that the ranking Democrat on the Senate Intelligence Committee had called for an FBI investigation of the documents' origins. The *Boston Globe* reported two days later that the Senator was specifically seeking to determine whether administration officials had forged the documents themselves to marshal support for the invasion.

The request was not nearly as significant to me as who it had come from - Jay Rockefeller of the Standard Oil Rockefellers. An oil dynasty was calling for an investigation of a bunch of oil men. Somebody was screwing up big time.

Seymour Hersh dropped a major bombshell that went virtually unnoticed, 54 paragraphs deep into an October 27, 2003 story for the *New Yorker* titled "The Stovepipe."

Who produced the fake Niger papers? There is nothing approaching a consensus on this question within the intelligence community. There has been published speculation about the intelligence services of several different countries. One theory, favored by some journalists in Rome, is that [the Italian intelligence service] Sismi produced the false documents and passed them to Panorama for publication.

*"Another explanation was provided by a former senior C.I.A. officer. He had begun talking to me about the Niger papers in March, when I first wrote about the forgery, and said, 'Somebody deliberately let something false get in there.' He became more forthcoming in subsequent months, eventually saying that **a small group***

of disgruntled retired C.I.A. clandestine operators had banded together in the late summer of last year and drafted the fraudulent documents themselves. [emphasis added]

Hersh's revelation provided corroboration for something I and others, like the renowned political historian Peter Dale Scott, had been suspecting for a long time. The CIA was fighting back. This was a well orchestrated, long-term covert operation - exactly what the CIA does all over the world.

POINT OF NO RETURN

Willing disclosure of the identity of a covert operative is a serious felony under Federal law, punishable by fine and/or imprisonment. The Intelligence Identities Protection Act of 1982 makes it a crime for anyone with access to classified information to intentionally disclose information identifying a covert operative. The penalties get worse for doing it to a deep cover Directorate of Operations (DO) case officer (as opposed to an undercover DEA Agent).

After John Ashcroft was forced to recuse himself from the case, Patrick Fitzgerald, the U.S. Attorney in Chicago, was transferred to Washington and appointed special prosecutor in the Plame case.

Robert Novak, rightly standing by the journalistic code of ethics, has steadfastly refused to identify his White House source. We would do the same thing in his shoes. The investigation is nearing a climax with pending issuance of criminal indictments. Press reports citing sources close to the investigation have directly and indirectly pointed fingers at Dick Cheney and his Chief of Staff, Lewis "Scooter" Libby, as suspects.

Second clue: The criminal investigation of the Plame leak was investigated after a September 2003 formal request from the CIA, approved by George Tenet.

Not only was Plame's cover blown, so was that of her cover company, Brewster, Jennings & Associates. With the public exposure of Plame, intelligence agencies all over the world started searching data bases for any references to her (TIME Magazine). Damage control was immediate, as the CIA asserted that her mission had been connected to weapons of mass destruction.

However, it was not long before stories from the *Washington Post* and the *Wall Street Journal* tied Brewster, Jennings & Associates to energy, oil and the Saudi-owned Arabian American Oil Company, or ARAMCO. Brewster Jennings had been a founder of Mobil Oil company, one of Aramco's principal founders.

According to additional sources interviewed by

Wayne Madsen, Brewster Jennings was, in fact, a well-established CIA proprietary company, linked for many years to ARAMCO. The demise of Brewster Jennings was also guaranteed the moment Plame was outed.

It takes years for Non-Official Covers or NOCs, as they are known, to become really effective. Over time, they become gradually more trusted; they work their way into deeper information access from more sensitive sources. NOCs are generally regarded in the community as among the best and most valuable of all CIA operations officers and the agency goes to great lengths to protect them in what are frequently very risky missions.

By definition, Valerie Plame was an NOC. Yet unlike all other NOCs who fear exposure and torture or death from hostile governments and individual targets who have been judged threats to the United States, she got done in by her own President, whom we also judge to be a domestic enemy of the United States.

Moreover, as we will see below, Valerie Plame may have been one of the most important NOCs the CIA had in the current climate. Let's look at just how valuable she was.

ARAMCO

According to an April 29, 2002 report in Britain's *Guardian*, ARAMCO constitutes 12% of the world's total oil production; a figure which has certainly increased as other countries have progressed deeper into irreversible decline.

ARAMCO is the largest oil group in the world, a state-owned Saudi company in partnership with four major US oil companies. Another one of Aramco's partners is Chevron-Texaco which gave up one of its board members, Condoleezza Rice, when she became the National Security Advisor to George Bush. All of ARAMCO's key decisions are made by the Saudi royal family while US oil expertise, personnel and technology keeps the cash coming in and the oil going out. ARAMCO operates, manages, and maintains virtually all Saudi oil fields - 25% of all the oil on the planet.

It gets better.

According to a *New York Times* report on March 8th of this year, ARAMCO is planning to make a 25% investment in a new and badly needed refinery to produce gasoline. The remaining 75% ownership of the refinery will go to the only nation that is quickly becoming America's major world competitor for ever-diminishing supplies of oil: China.

Almost the entire Bush administration has an interest in ARAMCO.

The *Boston Globe* reported that in 2001 ARAMCO had signed a \$140 million multi-year contract with Halliburton, then chaired by Dick Cheney, to develop a new oil field. Halliburton does a lot of business in Saudi Arabia. Current estimates of Halliburton contracts or joint ventures in the country run into the tens of billions of dollars.

So do the fortunes of some shady figures from the Bush family's past.

As recently as 1991 ARAMCO had Khalid bin Mahfouz sitting on its Supreme Council or board of directors. Mahfouz, Saudi Arabia's former treasurer and the nation's largest banker, has been reported in several places to be Osama bin Laden's brother in law. However, he has denied this and brought intense legal pressure to bear demanding retractions of these allegations. He has major partnership investments with the multi-billion dollar BinLadin Group of companies and he is a former director of BCCI, the infamous criminal drug-money laundering bank which performed a number of very useful services for the CIA before its 1991 collapse under criminal investigation by a whole lot of countries.

As Saudi Arabia's largest banker he handles the accounts of the royal family and - no doubt - ARAMCO, while at the same time he is a named defendant in a \$1 trillion lawsuit filed by 9/11 victim families against the Saudi government and prominent Saudi officials who, the suit alleges, were complicit in the 9/11 attacks.

Both BCCI and Mahfouz have historical connections to the Bush family dating back to the 1980s. Another bank (one of many) connected to Mahfouz - the InterMaritime Bank - bailed out a cash-starved Harken Energy in 1987 with \$25 million. After the rejuvenated Harken got a no-bid oil lease in 1991, CEO George W. Bush promptly sold his shares in a pump-and-dump scheme and made a whole lot of money.

Knowing all of this, there's really no good reason why the CIA should be too upset, is there? It was only a long-term proprietary and deep-cover NOC - well established and consistently producing "take" from ARAMCO (and who knows what else in Saudi Arabia). It was destroyed with a motive of personal vengeance (there may have been other motives) by someone inside the White House.

From the CIA's point of view, at a time when Saudi Arabia is one of the three or four countries of highest interest to the US, the Plame operation was irreplaceable.

Third clue: Tenet's resignation, which occurred at night, was the first "evening resignation" of a Cabinet-level official since October 1973 when Attorney General Elliott Richardson and his deputy, William French Smith,

resigned in protest of Richard Nixon's firing of Watergate special prosecutor Archibald Cox. Many regard this as the watershed moment when the Nixon administration was doomed.

SAUDI ARABIA

Given that energy is becoming the most important issue on the planet today, if you were the CIA, you might be a little pissed off at the Plame leak. But there may be justification to do more than be angry. Anger happens all the time in Washington. This is something else.

One of the most important intelligence prizes today - especially after recent stories in major outlets like the *New York Times* reporting that Saudi oil production has peaked and gone into irreversible decline - would be to know of a certainty whether those reports are correct. The Saudis are denying it vehemently but they are being strongly refuted by an increasing amount of hard data. The truth remains unproven. But the mere possibility has set the world's financial markets on edge. Saudi Oil Minister Ali Naimi came to Washington on April 27th to put out the fires. It was imperative that he calm everybody's nerves as the markets were screaming, "Say it ain't so!"

Naimi said emphatically that there was nothing to worry about concerning either Saudi reserves or ARAMCO's ability to increase production. There was plenty of oil and no need for concern.

FTW covered and reported on that event. Writer and energy expert Julian Darley noted that there were some very important ears in the room, listening very closely. He also noted that Naimi's "scientific" data and promises of large future discoveries did not sit well many who are well versed in oil production and delivery.

[See FTW's June 2nd story, "Saudi's Missing Barrels" and our May 2003 story, "Paris Peak Oil Conference Reveals Deepening Crisis." In that story FTW editor Mike Ruppert was the first to report on credible new information that Saudi Arabia had possibly peaked.]

If anybody has the real data on Saudi fields it is either ARAMCO or the highest levels of the Saudi royal family.

The answer to the Saudi peak question will determine whether Saudi Arabia really can increase production quickly, as promised. If they can't, then the US economy is going to suffer bitterly, and it is certain that the Saudi monarchy will collapse into chaos. Then the nearby US military will occupy the oilfields and the U.S. will ultimately Balkanize the country by carving off the oil fields - which occupy only a small area near the East coast. That U.S. enclave would then provide sanctuary to the leading members of the royal family who will have

agreed to keep their trillions invested in Wall Street so the US economy doesn't collapse.

So far the Saudis haven't had to prove that they could increase production due to convenient terror attacks at oil fields, and more "debates" within OPEC.

Fourth clue: Bush and Cheney have both hired or consulted private criminal defense attorneys in anticipation of possible indictments of them and/or their top assistants in the Plame investigation. On June 3, just hours before Tenet suddenly resigned, President Bush consulted with and may have retained a criminal defense attorney to represent him in the Plame case.

According to various press reports Bush has either retained or consulted with powerhouse attorney Jim Sharp, who represented Iran-contra figure retired Air Force Major General Richard Secord; Enron's Ken Lay; and Watergate co-conspirator Jeb Stuart Magruder. All three were facing criminal rather than civil charges. Either way, a clear signal has been sent that Bush expects to be either called to testify (which was a precursor in Watergate to a criminal indictment of Richard Nixon) or be named as a defendant. Either way, the President's men are falling faster than their counterparts fell in Watergate, and the initial targets are much higher up the food chain.

Cheney's attorney is Terrence O'Donnell, a partner of the Williams and Connolly law firm. O'Donnell worked for then White House chief of staff Cheney in the Ford administration and as General Counsel for the Pentagon when Cheney was Defense Secretary under the first President Bush. He has been representing the Vice President in criminal and civil cases involving Cheney's chairmanship of Halliburton. These include a Justice Department investigation of Halliburton for alleged payment of bribes to Nigerian political leaders and a stockholders' fraud law suit against Halliburton. O'Donnell also represented former CIA director John Deutch when he was accused of violating national security by taking his CIA computer home and surfing the Internet while it contained hundreds of highly-classified intelligence documents.

SPRINGING THE TRAP

Now, seemingly all of a sudden, Bush and Cheney are in the crosshairs. Cheney has been questioned by Fitzgerald within the last week.

The CIA Director's job by definition, whether others like it or not, is to be able to go to his President and advise him of the real scientific data on foreign resources (especially oil); to warn him of pending instability in a country closely linked to the US economy; and to tell him what to plan for and what to promise politically in his

foreign policy. In light of her position in the CIA's relationship with Saudi Aramco, the outing of Valerie Plame made much of this impossible. In short, the Bush leak threatened National Security.

Former White House Counsel and Watergate figure John Dean, writing for the prestigious legal website find-law.com on June 4th made some very ominous observations that appear to have gone unnoticed by most.

This action by Bush is a rather stunning and extraordinary development. The President of the United States is potentially hiring a private criminal defense lawyer. Unsurprisingly, the White House is doing all it can to bury the story, providing precious little detail or context for the President's action...

...But from what I have learned from those who have been quizzed by the Fitzgerald investigators it seems unlikely that they are interviewing the President merely as a matter of completeness, or in order to be able to defend their actions in front of the public. Asking a President to testify - or even be interviewed - remains a serious, sensitive and rare occasion. It is not done lightly. Doing so raises separation of powers concerns that continue to worry many...

...If so - and if the person revealed the leaker's identity to the President, or if the President decided he preferred not to know the leaker's identity. - Then this fact could conflict with Bush's remarkably broad public statements on the issue. He has said that he did not know of "anybody in [his] administration who leaked classified information." He has also said that he wanted "to know the truth" about this leak.

If Bush is called before the grand jury, it is likely because Fitzgerald believes that he knows much more about this leak than he has stated publicly.

Perhaps Bush may have knowledge not only of the leaker, but also of efforts to make this issue go away - if indeed there have been any. It is remarkably easy to obstruct justice, and this matter has been under various phases of an investigation by the Justice Department since it was referred by the CIA last summer...

...On this subject, I spoke with an experienced former federal prosecutor who works in Washington, specializing in white collar criminal defense (but who does not know Sharp). That attorney told me that he is baffled by Bush's move - unless Bush has knowledge of the leak. "It would not seem that the President needs to consult personal counsel, thereby preserving the attorney-client privilege, if he has no knowledge about the leak," he told me.

What advice might Bush get from a private defense

counsel? The lawyer I consulted opined that, "If he does have knowledge about the leak and does not plan to disclose it, the only good legal advice would be to take the Fifth, rather than lie. The political fallout is a separate issue."

I raised the issue of whether the President might be able to invoke executive privilege as to this information. But the attorney I consulted - who is well versed in this area of law - opined that "Neither 'outing' Plame, nor covering for the perpetrators would seem to fall within the scope of any executive privilege that I am aware of."

That may not stop Bush from trying to invoke executive privilege, however - or at least from talking to his attorney about the option. As I have discussed in one of my prior columns, Vice President Dick Cheney has tried to avoid invoking it in implausible circumstances - in the case that is now before the U.S. Supreme Court. Rather he claims he is beyond the need for the privilege, and simply cannot be sued. [Emphasis added]

Suffice it to say that whatever the meaning of Bush's decision to talk with private counsel about the Valerie Plame leak, the matter has taken a more ominous turn with Bush's action. It has only become more portentous because now Dick Cheney has also hired a lawyer for himself, suggesting both men may have known more than they let on. Clearly, the investigation is heading toward a culmination of some sort. And it should be interesting.

Last and final clue: Under **Executive Privilege**, a principle intended to protect the constitutional separation of powers, officials in the Executive Branch cannot give testimony in a legal case against a sitting President. The Bush administration has invoked or threatened to invoke the privilege several times. Dick did it over the secret records of his energy task force and George Bush tried to use it to prevent Condoleezza Rice from testifying before the "Independent" Commission investigating September 11th.

Former officials of the Executive Branch are, however, free to testify if they are no longer holding a government office when subpoenaed or when the charges are brought.

[To learn more about Executive Privilege visit <http://www.findlaw.com>]

The Bush administration has proved itself to be an insular group of inept, dishonest and dangerous CEO's of the corporation known as America. They have become very bad for business and the Board of Directors is now taking action. Make no mistake, the CIA works for "The Board" - Wall Street and big money. The long-term (very corrupt and unethical) agenda of the Board, in the face

of multiple worsening global crises, was intended to proceed far beyond the initially destructive war in Iraq, toward an effective reconstruction and a strategic response to Peak Oil. But the neocons have stalled at the ugly stage: killing hundreds of thousands of people; destroying Iraq's industrial and cultural infrastructure as their own bombs and other people's RPGs blow everything up; getting caught running torture camps; and making the whole world intensely dislike America.

These jerks are doing real damage to their masters' interests.

But (not surprisingly) Tenet and the CIA were and remain much better at covert operations and planning ahead than the Bush administration ever was. Tenet and Pavitt actually prepared and left a clear, irrefutable and incriminating paper trail which not only proves that they had shunned and refused to endorse the documents, the CIA also did not support the nuke charges and warned Bush not to use them.

Where are those documents now? They're part of the Justice Department Plame investigation - and they're also in the hands of the Congressman who will most likely introduce and manage the articles of impeachment, if that becomes necessary: Henry Waxman (D), of California. If you would like to see how tightly the legal trap has been prepared, and how carefully the evidence has been laid out, I suggest taking a look around Waxman's web site at: <http://www.house.gov/waxman/>.

THE SWARM

There are a multitude of signs that the Bush administration is being "swarmed" in what is becoming a feeding frenzy as opposition is surfacing from many places inside the government, including the military. The signs are not hard to find.

The June 3rd issue of *Capitol Hill Blue*, the newspaper published for members of Congress, bore the headline "Bush Knew About Leak of CIA Operative's Name". That article virtually guaranteed that the Plame investigation had enough to pursue Bush criminally. The story's lead sentence described a criminal, prosecutable offense: "Witnesses told a federal grand jury President George W. Bush knew about, and took no action to stop, the release of a covert CIA operative's name to a journalist in an attempt to discredit her husband, a critic of administration policy in Iraq."

A day later, on June 4th *Capitol Hill Blue* took another hard shot at the administration. Titled "Bush's Erratic Behavior Worries White House Aides", the story's first four paragraphs say everything.

President George W. Bush's increasingly erratic be-

havior and wide mood swings has the halls of the West Wing buzzing lately as aides privately express growing concern over their leader's state of mind.

In meetings with top aides and administration officials, the President goes from quoting the Bible in one breath to obscene tantrums against the media, Democrats and others that he classifies as "enemies of the state."

Worried White House aides paint a portrait of a man on the edge, increasingly wary of those who disagree with him and paranoid of a public that no longer trusts his policies in Iraq or at home.

"It reminds me of the Nixon days," says a longtime GOP political consultant with contacts in the White House. "Everybody is an enemy; everybody is out to get him. That's the mood over there."

The attacks have not stopped. On June 8th, the same paper followed with another story headlined, "Lawyers Told Bush He Could Order Suspects Tortured".

Journalist Wayne Madsen, a Washington veteran with excellent access to many sources has indicated for this story that the Neocons have few remaining friends anywhere. All of this is consistent with a CIA-led coup.

Ahmed Chalabi

Madsen reported that the Plame probe comes amid another high-level probe of Pentagon officials for leaking classified National Security Agency cryptologic information to Iran via Iraqi National Congress head Ahmed Chalabi. FBI agents have polygraphed and interviewed a number of civilian political appointees in the Pentagon in relation to the intelligence leak, said to have severely disrupted the National Security Agency's ability to listen in on encrypted Iranian diplomatic and intelligence communications.

Chalabi's leak has once again forced Iran to change equipment, resulting in impaired U.S. intelligence gathering of Iran's sensitive communications. The probe into the Chalabi leak is centering on Pentagon officials who have been close to Chalabi, including Office of Net Assessment official Harold Rhode, Director of Policy and Plans officials Douglas Feith and William Luti, Undersecretary for Intelligence Stephen Cambone, and Deputy Defense Secretary Paul Wolfowitz. In addition, some former Pentagon advisers are also targeted in the probe.

Many press reports throughout 2003 indicated that Chalabi, distrusted and virtually discarded by the CIA, had been resurrected and inserted into the Iraqi political mix on the orders of Donald Rumsfeld, Paul Wolfowitz and the other Neocons listed above.

Abu Ghraib and Torture

A former CIA official told Madsen that between the Plame leak and the Abu Ghraib torture affair, the Bush administration is facing something that will be "worse than Watergate."

PLANNING FOR SUCCESSION

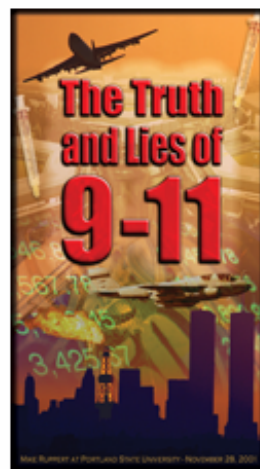
If both Bush and Cheney are removed or resign, what happens? Madsen reported that lobbyists and political consultants in Washington are dusting off their copies of the Constitution and checking the line of presidential succession.

One lobbyist said he will soon pay a call on Alaska Republican Senator Ted Stevens, who, as President pro tem of the Senate, is second in line to House Speaker Dennis Hastert to become President in the event Bush and Cheney both go.

It is one of the greatest ironies of the Plame affair that the Bush administration, spawned and nurtured by oil, might have committed suicide by vindictively, cruelly and unthinkingly exacting personal retribution on an intelligence officer who had committed no offense, and who was, quite possibly, providing the administration with critical oil-related intelligence which the President needed to manage our shaky economy and affairs of state for a while longer to squeak through to re-election. In our opinion, nothing better epitomizes the true nature of the Neocons.

That being said, they have to go. *FTW* wishes that it was as certain that what will come after them will be better.

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(Peak Oil Revisited— Cont'd from page 1)

By the spring of 2004 things had changed dramatically. This is both the good news and the bad news. In May of 2004 I attended the third annual conference of the Association for the Study of Peak Oil and Gas (ASPO) in Berlin Germany. Although I have a great many friends in ASPO, I tend to leave these conferences feeling as though I've had a big meal but am still hungry. Governed as they were by scientific protocols, the 2003 and 2004 conferences seemed to occur in vacuums. With the cool professionalism that's proper to scientific discourse, the conferences marshaled excellent resources of data and analysis while remaining eerily detached from political and economic developments in the outside world; detached from 9/11; from violence and intrigue in Iraq, in Saudi Arabia, in West Africa, in Venezuela; detached from bitter conflict and bloodshed, and from economic disintegration

That disconnect was nowhere near as obvious in Paris in May of 2003 as it was in Berlin a year later.

From May 24th 2004, as people arrived for the conference, through the final day on May 26th, the hottest conversations were as much about what was going on in the headlines as was what being discussed inside the room. The two didn't converge nearly enough. Peak Oil - Berlin was almost twice as large as Paris had been. Many of the 250-plus attendees arrived on both mornings with papers under their arms containing stories about oil shortages and economic issues connected thereto. They tended to meet outside for drinks or meals asking, "Have you seen the cover of the June 2004 *National Geographic*? It's Peak Oil!"; "Did you see the *International Herald Tribune* today on global production and supply?"; "Do you think the Saudis really can increase production or are they bluffing?"; "Did you see where Shell has downgraded their reserves, again!?" "Did you notice that someone finally attacked a Saudi oil facility? Now the Saudis won't have to prove that they can increase production, either to their people or the markets. It's the perfect excuse"



A packed house in Berlin.

This had been no overnight development. For almost the entire year between the Paris and Berlin conferences the icons of the mainstream press – the ones known and employed to mold public and business perception – had been acknowledging Peak Oil's reality, sometimes reluctantly, sometimes less than directly, but also sometimes very boldly. CNN, the BBC, the New York Times, the Economist; dozens of media giants had begun to respond, like a giant ship turning slowly in the water. The ship had clearly changed course, but was it enough? Was it in time? I had saved close to 200 of these stories and I asked my staff to prepare a list of the headlines. But the list soon got out of hand – it's too long. Looking at just a few of them makes the point well enough.

- "The End of Cheap Oil" – *National Geographic* (Cover Story) – June 2004.
- "What to Use When the Oil Runs Out" – BBC – April 22, 2004
- "Adios Cheap Oil" – *Interpress News Agency* – April 27, 2004
- "Refining Shortfall Goes Global, Drives Oil Strength" – *Reuters* – April 26, 2004
- "G7: Oil Price Threatens World Economy" – *Moscow Times* – 4/26/04
- "World Oil Crisis Looms" – *Jane's* -- 4/21/04
- "US Procuring the World's Oil" – *Foreign Policy in Focus* – January 2004
- "Are We Running Out of Oil? Scientist Warns of Looming Crisis" – ABC News.com – 2/11/04
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Berlin

Present in Berlin for the ASPO conference on May 25th and 26th were some newcomers, senior representatives from British Petroleum, ExxonMobil, and the International Energy Agency. They came as nobles called to a commoner’s court: polite, courteous, but waving their flags just the same, unperturbed by the growing mess around them. If nothing else, their presence served as a reminder that Peak Oil was squarely on the table. Even from their denials came startling revelations.

As the press reports describing a disintegrating world outside rolled on, the debate inside still seemed removed from it all. It felt strange to discuss Peak Oil in a purely data-driven way while knowing how utterly it will shatter our growth-driven industrial civilization. “Let them eat cake,” said Marie Antoinette on being told of the great crowds rioting outside her palace, crying for bread. When there is inadequate fuel for food production, electricity, and transport, the people will cry for energy; officials in government and industry will respond: let them burn water.



Left to right; J Peter Guerling, conference organizer, ASPO Chair Kjell Aleklett, Jean Laherrère, Richard Heinberg.

The big three of ASPO, Colin Campbell, Kjell Aleklett, and Jean Laherrère – accompanied by the de facto star of the event – investment banker Matthew Simmons – had their work cut out for them; not with the audience but with those who had come to deny. Natural gas issues facing Europe took up most of the first day. Two things quickly became clear on that account. First, almost all of Europe, soon even perhaps Ireland, was going to become dependent upon Russian natural gas to stay warm (Britain has just become a net gas importer in the face of North Sea decline). Second, Russia had much less natural gas than the economists and book-keepers had predicted. Simmons asked rhetorically why anyone would stake their future on four large Russian fields that had been shown to be in permanent decline.

It was a good question, especially in light of the fact that Laherrère, with his renowned calculations, concluded that natural gas demand in Europe was going to grow at 6.4% per year; that the global natural gas cliff would hit by approximately 2030; and that there would be zero reserves left by 2050. He calmly announced that, as far as Russian gas reserves went, there was a 50% difference between the technical data on Russian gas and what he called the “political” data.

Simmons pointed out that North America hit its natural gas peak in 1973 and is now falling off the production cliff. Presentations exploring Liquefied Natural Gas (LNG) imports to the US concluded what FTW already knew. The cost is too expensive, the lead time too long, and the capital investment too great to make much of a difference here.

Everybody, even the German giant power companies like RWE, talked about coal. Nuclear was also, at least for some, an option but there were no other viable near-term solutions presented. Token representatives of hydrogen and alternative energies made presentations but, for those who had looked at hard numbers, this was more for show than substance.



Matt Simmons on US natural gas shortages.

Saudi Arabia

Saudi Arabia's promise to increase production to meet US and world economic needs was the hot topic. Much discussion and hard data was devoted to the fact that Ghawar, the largest field in the world, along with all of Saudi Arabia's other large fields, was old and tired. In recent years both water injection and so-called "bottle-brush" drilling have been employed to maintain production and both of these techniques tend to accelerate decline and damage the reservoirs. They are desperate measures.

With bottle brush drilling, a shaft is drilled horizontally over long distances with a number of brush-like openings. As water is forced under pressure into the reservoir, the oil is forced upwards toward the well heads and extraction is thereby increased. However, when the water table hits the horizontal shaft, often without warning, the whole field is virtually dead and production immediately drops off to almost nothing. This comes as surprise in most cases. As several at the conference noted, this is exactly what had already happened in Oman, Syria and Yemen.

As William Kennedy, a UK observer at the conference noted afterwards, "For the record, Ghawar's ultimate

recoverable reserves in 1975 were estimated at 60 billion barrels – by Exxon, Mobil, Texaco and Chevron. It had produced 55 billion barrels up to the end of 2003 and is still producing at 1.8 billion per annum. That shows you how close it might be to the end. When Ghawar dies, the world is officially in decline."

No one, not even from the major oil companies or the economic camp rose to defend Saudi Arabia's claim that it could increase production rapidly. The BBC's Adam Porter nailed the International Energy Agency's chief economist Faith Birol over his confident assertion that there was still plenty of oil.

In public, Mr Birol denied that supply would not be able to meet rising demand, especially from the buoyant economies in the USA, China and India.

But after his speech he seemed to change his tune.

"For the time being there is no spare capacity. But we expect demand to increase by the fourth quarter (of the year) by three million barrels a day."

He pinned his hopes for an increase in production squarely on troubled Saudi Arabia. "If Saudi does not increase supply by 3 million barrels a day by the end of the year we will face, how can I say this, it will be very difficult. We will have difficult times. They must invest."

Can Saudi deliver?

But even Mr Birol admitted that Saudi production was "about flat".

Three million extra barrels a day would mean a huge 30% leap in output in just a few months.

When BBC News Online followed up by asking if this giant increase in production was actually possible rather than simply a desire he refused to answer. "You are from the press? This is not for you. This is not for the press."¹

Mistakes

In his presentation, Matthew Simmons, CEO of Simmons and Company International, the world's largest investment bank reeled off a litany of "mistakes" made

by the energy industry over decades. He described some of these mistakes as:

- Demand was never understood properly;
- Supply was merely aspiration (not actual reality)
- Decline curves became waterfalls
- We didn't have enough rigs (infrastructure)
- There was little fuel substitution
- There were few technology gains

Simmons used last year's Northeast US blackout to highlight some of the counter-productive reactions that had appeared during its worst moments. These, he suggested, paralleled the global rationale that had been brought to bear on current energy policy. "People were idling their car engines just to charge their cell phones. We couldn't refine or pump gas. You need electricity to do that."



Left to right; Ali Bakhtiari, Colin Campbell, Fritz Vahrenholt (RE Power), Hans Wilhelm Schiffer (RWE Power), Hartmut Schneider (BMW), Faith Birol (IEA).

Simmons described these mistakes as cascading and compounding over time and suggested that the underlying cause of all of them was the inherent assumption pushed by the financial markets that growth could possibly be infinite when nothing else in the physical universe is; when no organism or species has ever avoided the cycle of growth, maturity and decline that governs the natural world. He chided that financial analysts on today's markets remember the false alarms about shortages in the 1980s and said that those crises (which never materialized), where many lost jobs by predicting permanent shortages had failed to understand that they were describing and reacting to political events rather than geologic ones. Many in the markets, he said, were still saying to themselves, "That's never going to happen to me again."

He likened them to the French Army which in 1940, having spent hundreds of millions to build the Maginot Line of fortresses, had just become ready to fight World War

War II.

We know how that turned out.

Colin Campbell, the "godfather" of the Peak Oil movement, with a bit of pique, divided the conference presenters into three camps: The Surveyors who were reporting hard data and not abstract modeling; The Economists who were denying reality and asserting that money produces energy and not the other way around; and the Pretenders "who know full-well what the situation is, but pretend otherwise for short-term political objectives.

In the last camp, he placed Faith Birol, chief economist for the International Energy Agency (IEA), supposedly the world's energy watchdog. Even Birol made his own startling revelations on the second day.

Birol confirmed that another new trend, new since Paris, had become dominant. Many presenters from German and European industry had begun listing a new priority for future energy planning I had not heard before. They all emphasized "energy security" as the top or one of their most important concerns for the future. I checked my notes from Paris. I didn't record it being mentioned once. That sounded military to me, at least in terms of building geostrategic alliances which always have military options included. When confronted directly on that point the presenters retreated to assertions that what they really wanted was treaties and economic agreements. Well, I thought, what enforces those things?

Birol also hit hard on this point. Then he engaged in a kind of irrational presentation in which he put forth four points. There first two were telling.

First, he said that the IEA was absolutely certain that there was enough energy to guarantee economic growth until 2025.

In his very next point he said that (in light of Shell's downward revisions and pending revisions from other major oil companies) there was sufficient uncertainty about the true nature of stated world reserves that a new "transparent" reserve accounting system should be established to provide the needed trust for the financial markets.

In other words, his first point was meaningless.

Colin Campbell, seated on the panel with Birol quipped, "If there were transparency it would be clear that we are at peak now and everything might fall apart.

Again, I thought of the headlines and war and said to myself, "Um, it already is."

British Petroleum and Exxon Mobil also stepped through the looking glass. After presenting a series of slides which almost everyone in the audience was quite capable of reading, BP spokesman Francis Harper, addressing the issue of "reserve growth" refused to answer two direct questions about how his charts had just absolutely confirmed an imminent peak and decline. He just didn't answer. He did say that "Reserve estimates are uncertain and can vary widely throughout field life."

Later, ASPO founder Campbell speculated that BP was perhaps the worst book-cooker of all the majors when it came to reserves and that there might be some large surprises coming as increasing pressure was put on the majors to produce transparent and verifiable calculations.

Exxon Mobil's G. Jeffrey Johnson, while saying that supply was sufficient to satisfy growth until 2020, also admitted that current decline was at 4-6% per year. Economic growth is not possible without increased energy production. When asked by me where Exxon Mobil was working feverishly to find new reserves, Johnson rattled off a list of countries and regions already well familiar to FTW readers: West Africa, the Middle East and South America. Not one of those well-explored regions has anything near the two-or three Ghawar fields we need to find immediately to avert a crisis.

Infrastructure and investment

Assuming that sufficient oil was found, how much money would be needed to develop it and bring it to market? Exxon Mobil's spokesman indicated that a global **annual** investment of \$530 billion would be required. The IEA's Faith Birol stated that a total of \$16 trillion would have to be invested before 2030 to develop oil and gas reserves that – even he admitted – no one was sure existed.

Matt Simmons – One on One

Peak Oil advocates quote Matthew Simmons frequently because his voice is refreshing. They also note that there is a duality to his thinking that leaves them scratching their heads from time to time. Those advocating economic reform or seeking to change the financial system built around oil do not always agree with him on those points. He is still a Republican and a die-hard investment banker. I found myself liking him sincerely on a personal level, disagreeing with him on some economic levels, yet remaining grateful for his candor on reserves.

I had him alone in Berlin for almost an hour. Some of his observations were telling.

He insisted that it was imperative that we (the US) begin to examine every area where we use energy and find ways to become more efficient. As an example he said that using a burner tip in a multitude of industrial practices, or in boiling water, was immensely more efficient than converting gas into electricity. He suggested going to a "three-shift" economy, where everyone would be required to work graveyard shifts about one-third of the time, was a way to avoid overloads to the grid. The reason is simple, he said. Power generating stations run all night while very little electricity is drawn. Plants cannot be shut down and restarted. After you turn an electrical generating station off, it takes a week to bring it back on line. That's called "spinning" and it's extremely expensive. "Instead of having everything peak between 4 and 6 PM you can spread it out and still have some growth because you'll be making use of capacity that is not being used during off hours."

I thought about how far ahead Europe, and especially Germany was in its thinking. All electrical uses in hotel rooms are made possible only when your room key is inserted into a slot. Leave the room, take the key, and everything shuts off automatically. Every gas station I saw in Germany had the option for people to purchase biodiesel, the cheapest grade of fuel, at about 90 US cents a liter. (And you think US gas prices are bad! Premium gasoline was selling at just under \$5 (US) per gallon). At those prices it's easy to understand why German drivers, when they come to ubiquitous railroad crossings, automatically shut off their engines until the train passes.

Public Enemy Number One, according to Simmons, is not SUVs but air conditioning. His top priority would be to design and build vastly more efficient air conditioners. Ironically, he believes that when gasoline reaches \$7 per gallon (and he does), there may be a lot of people riding together in SUVs rather than in smaller cars. Let's hope!

But he and I part company on the price of oil; not only does he see it rising to \$182 a barrel, he thinks that it might be beneficial, especially when it comes to generating some of that \$16 trillion that needs to be invested in new oil and gas infrastructure. At \$182 a barrel Simmons predicts the pump price will be \$7 a gallon. "But", he added cautiously, "we're not going there overnight."

"\$41 oil last week was \$18 oil in 1980. A year ago we had \$30 oil and now we have \$40 oil. Has the economy slowed?" he asked rhetorically

I avoided a long discussion about how the economy is

rigged and supported by many hidden incentives like Afghanistan's burgeoning heroin trade and the resulting cash that floods New York banks and brokerages.

Where he lost me completely was when he postulated that prosperity for developing oil producing nations would be neatly financed with oil at \$182.

"If they can export 25 million barrels per day for the next ten years at that price then they can finance their prosperity. The shareholders will benefit." Yes, I thought, but only by buying more "things" that need energy to operate or manufacture.

Yes, this was the same Matt Simmons who just as steadfastly argues that this kind of production is not possible; the same Matt Simmons whom FTW has quoted as saying that future economic growth is not possible. Then he came back to a left-handed point I think I have been hearing him make but which he has never fully acknowledged. In his presentation on the floor he had referred to the necessity of reducing demand. I had always understood that to be the byproduct of a recession.

He bypassed the question in private but did observe, "I'm very worried about sustainability at any price. But at low prices it's a nightmare."

On the question of Saudi Arabia he was unequivocal. "The Saudis are out of capacity. That's my opinion... They have no infrastructure or extra pipes or gas, oil, and water separators (very expensive large globes used to separate what comes out of a water injection well). They have very heavy oil which, through a conventional refinery, produces asphalt. We don't need asphalt. We need gasoline. It takes a complex refinery to make gasoline and it only takes 7-10 years to build one."

After two years of study and two days at the conference, it was obvious that a crash building program begun today by Saudi Arabia would make no difference if most of the Saudi fields (especially the biggest ones) had already gone into, or were near, decline. As we have already seen in FTW, the uncertainty of return on investment was the principal reason why more power generating stations weren't built in the US in the last five years. There wasn't enough natural gas to run them and pay off the debt. The same cost-benefit issue arises in Saudi Arabia.

We're back to money again.

Ali Samsam Bakhtiari

Another fixture at ASPO conferences is Ali Samsam

Bakhtiari, Vice President of the National Iranian oil Company (NIOC). A suave and genial Persian, on whose tribal land the first oil well in the Middle East was drilled, Bakhtiari was doggedly followed by journalists and documentarians looking for relevant quotations. Frequently in the company of Simmons, he remained available throughout the conference.

Bakhtiari is firmly in the camp of the Surveyors, warning about Peak Oil and convinced of its certainty. It was he who, in Paris, dropped the first hints to me and others that Saudi Arabia might have peaked in May of 2003. I have come to call him "The Prophet Ali," a label which makes him quickly blush and wave his hands in embarrassment.

Like others from the region attending the conference, Bakhtiari brought new warnings to Berlin. He cited the data about sudden and unexpected declines as the result of bottle-brush drilling in the region and expressed his strong doubts that Saudi Arabia could increase production under any circumstances. While a bit more reticent to express his fears about growing instability within the region, he was more candid in his assessment of the global energy picture.

In his presentation, Bakhtiari told the conference, "The crisis is very, very near. World War III has started. It has already affected every single citizen of the Middle East. Soon it will spill over to affect every single citizen of the world."

Syria's oil production is in terminal decline. Yemen is following. Major Middle East producers, including Saudi Arabia, will peak soon or have already peaked.'

Off the stage he was even more direct, "The present war cannot be confined to the Middle East. It will soon spill over to the rest of the world. The final implications will upset the global applectart."

RIMINI – A Start

Colin Campbell has, from a true expert's viewpoint begun the search for immediate, if admittedly incomplete solutions. In his final presentation he submitted a draft of a plan to manage decline ethically. Called the Uppsala Protocol (formerly the Rimini Protocol, available at <http://www.peakoil.net>), Campbell's simple proposal approached Peak Oil from humanitarian and egalitarian imperatives rather than market forces.

Though simple in concept, the two proposals for future consumption in the Uppsala Protocol may ultimately force mankind to make a fundamental choice about what its moral "True North" really is.

NOW IT IS PROPOSED THAT

1. A convention of nations shall be called to consider the issue with a view to agreeing an Accord with the following objectives:

- a. to avoid profiteering from shortage, such that oil prices may remain in reasonable relationship with production cost;
- b. to allow poor countries to afford their imports;
- c. to avoid destabilising financial flows arising from excessive oil prices;
- d. to encourage consumers to avoid waste;
- e. to stimulate the development of alternative energies.

2. Such an Accord shall have the following outline provisions:

- a. No country shall produce oil at above its current Depletion Rate, such being defined as annual production as a percentage of the estimated amount left to produce;
- b. Each importing country shall reduce its imports to match the current World Depletion Rate.

3. Detailed provisions shall be agreed with respect to the definition of categories of oil, exemptions and qualifications, and scientific procedures for the estimation of future discovery and production.

4. The signatory countries shall cooperate in providing information on their reserves, allowing full technical audit, such that the Depletion Rate shall be accurately determined.

5. Countries shall have the right to appeal their assessed.¹⁸

As the conference ended, Campbell and others debated whether to take the conference to Brussels ("Broadway" as he called it) – home of the European Union -- in 2005 or to go to Portugal. I couldn't help thinking, "What are you waiting for?"

Dow Jones Watches

The start of the Berlin conference on Peak Oil was oddly marked by the simultaneous release of an Op-Ed from the *Dow Jones Newswires*. As it turns out – in a sign that there was some convergence – the story's author was also covering the conference with a critical eye.

THE SKEPTIC: Politicians Take Notice

By Stella Farrington

A DOW JONES NEWSWIRES COLUMN

LONDON (Dow Jones) – Desperate pleas for OPEC to pump more oil are not only futile, but serve to perpetuate the myth that high prices are a temporary problem the producer's group can easily fix.

The sooner it's recognized that high oil prices are not going to go away overnight, and that the Organization of Petroleum Exporting Countries is largely helpless to alleviate the problem, the sooner politicians and industry can hammer out a different solution.

Certainly there's reason to be alarmed by current prices. At \$40 a barrel, the oil price is inflationary and will eventually choke global economic growth.

Consumers are being hit by soaring gasoline prices, which are at all-time highs in the U.S. and fast approaching the record of four years ago in the U.K. – a period marked by fuel riots...

...The only country with sufficient spare capacity is Saudi Arabia, which currently pumps 8 million barrels a day and claims it can hike output sustainably to 10 million barrels a day quickly...

And it suits OPEC to maintain the impression it can open the spigots at the drop of a hat. The last thing it wants is for people to sense an oil shortage looming, even only a temporary one, as that could lead to energy conservation and a longer-term decline in demand...

And there's no point in looking outside of OPEC for a quick fix.²

The World Awaits

When I got back from the extended trip to Berlin, Cologne and Toronto, it was like all the "real-life" things that weren't mentioned in Berlin ganged up on me. My inbox was flooded with Peak Oil stories from all over the world. The stories were coming out daily now and they seemed like pellets from a massive shotgun blast which

people had not yet realized had been unleashed by only one trigger pull and only one shooter. It had always been inevitable that, sooner or later, people, politicians, and the markets would get it, perhaps all at once. It was the “later” possibility that scared most of us in Berlin.

If one scratched any surface in early June of 2004, as the G-8 nations gathered in Georgia with energy and the Middle East as their most pressing concerns;³ as gasoline prices continued to rise; as a wave of terror attacks forced foreign technical service workers to flee Saudi Arabia; as Saudi Arabia continued to not increase production; and as more data streamed in suggesting that they couldn't; one could almost feel panic lurking.

People want to be told why they are afraid instead of looking inside to find out for themselves. On other fronts anxiety also rose as a torrent of stories implicating the highest levels of the Bush administration in sanctioned torture eroded the self image of most Americans. The sudden resignations of CIA Director George Tenet and his Deputy for covert operations in early June marked a watershed in a torrent of high-level and damning criticism of the Neocons from senior military leaders and former government officials.

Americans were being confronted on a daily basis with gut-wrenching documentation and photographs of widespread and horrendous torture at Iraq's Abu Ghraib prison camp. It had been sanctioned, condoned, and approved by the highest levels of the Bush administration: even the President, the Attorney General and the Secretary of Defense. The torture had happened all throughout occupied Iraq, not just Abu Ghraib.

The result has been cognitive dissonance of the highest order, as many Americans retreat in the spring of 2004 into their inner selves and say, “But we don't do that.”

On behalf of every American who has tried through great sacrifice to stop it for decades, “Oh yes we do!”

The biggest fear however, subtly acknowledged by global policy makers, and not-so-successfully masked, is about energy.

On June 6, 2004 Peak Oil arrived in the *Washington Post*. In a story titled “After the Oil Runs Out,” James Jordan and James Powell wrote:

On June 6, 2004 Peak Oil arrived in the *Washington Post*. In a story titled “After the Oil Runs Out,” James Jordan and James Powell wrote:

If you're wondering about the direction of gasoline prices over the long term, forget

for a moment about OPEC quotas and drilling in the Arctic National Wildlife Refuge and consider instead the matter of Hubbert's Peak. That's not a place, it's a concept developed a half-century ago by a geologist named M. King Hubbert, and it explains a lot about what's going on today at the gas pump. Hubbert argued that at a certain point oil production peaks, and thereafter it steadily declines regardless of demand. In 1956 he predicted that U.S. oil production would peak about 1970 and decline thereafter. Skeptics scoffed, but he was right...

It now appears that world oil production, about 80 million barrels a day, will soon peak. In fact, conventional oil production has already peaked and is declining. For every 10 barrels of conventional oil consumed, only four new barrels are discovered. Without the unconventional oil from tar sands, liquefied natural gas and other deposits, world production would have peaked several years ago...

... Lost in the debate are three much bigger issues: the impact of declining oil production on society, the ways to minimize its effects and when we should act. Unfortunately, politicians and policymakers have ignored Hubbert's Peak and have no plans to deal with it: If it's beyond the next election, forget it...

... To appreciate how vital oil is, imagine it suddenly vanished. Virtually all transport -- autos, trucks, airplanes, ships and trains -- would stop. Without the fertilizers and insecticide made from oil, food output would plunge. Manufacturing output would also drop. Millions in colder regions would freeze... [F- Washington Post, see below]

It was a tepid entry from the *Post*, but a start. The story relied on generalities about peak and decline, to the exclusion of all the hard data that has surfaced over the last two years. Simultaneously, it tried to give false comfort without foundation.

A month before on April 26, the *Moscow Times* had been a bit more direct. “G-7: Oil Price Threatens World Economy” was the headline, and the story minced no words. Russians seem to take this kind of news in stride much better than Americans.

In a statement released after talks in Washington, the G-7's central bankers and finance ministers singled out energy costs as a risk to global growth. Crude oil prices are up about 37 percent from a year ago and have risen 11 percent to nearly 11-year highs around \$37 per barrel since the officials last met in Florida on Feb. 7.

"It is obvious that rising oil prices can have a negative effect on world GDP growth," said U.S. Treasury Secretary John Snow. German Finance Minister Hans Eichel said the Organization of Petroleum Exporting Countries must "live up to their responsibility for the global economy." ⁵

These stories were followed shortly thereafter by more , which edged dangerously close to the panic line. And all Throughout May and June of 2004 pundits spun out webs of sophistry and misleading data spun forth by pundits who misrepresented data throughout May and June of 2004 with only one real intent: in a desperate effort to "protect" the markets; that effort had apparently failed. Some, like Sterling Burnett in a *Houston Chronicle* Op Ed , blithely claimed that there was enough oil last for 500 years.⁶ Not even the chief critics of Peak Oil would do that. Others, like Victor Canto of *The the National Review* said it was all a matter of economics; need and price would produce a painless substitution with some new energy source he wasn't quite able to describe or hadn't fully researched.⁷ Even the shameless George F. Will, writing in the *New York Post*, while not fully able to say that Peak Oil wasn't real, suggested that everything was a function of price and that throwing money at the problem would soften the blow while – at the same time – offering an unfounded morsel of hope for the easily frightened by saying, "But, then, Alaska may have three times more reserves than originally estimated." [F – NYP]

George, we've been there: Estimated reserves? Probable reserves? Proven reserves? Ultimately recoverable reserves? The kind of reserves that caused Shell to downwardly revise its "booked" reserve figures four times in one year?⁸ The kind of reserves that caused the IE A's chief economist Faith Birol to state that a deep new transparency is needed in the reporting of so that if we can are to find out how much there really is? The kind of reserves that British Petroleum was forced to defend on June 14 th while warning that new calculations might result in downward revisions?⁹ The kinds of reserves that serve only to define share values and which exist only in the minds of economists, brokers and stockbrokers?

The kinds of reserves which cannot and will never be pumped into your gas tank, or used to grow and transport your food, or get you to work?

The kinds of reserves that prompted *BusinessWeek* to ask on June 21 st 2004, "Why Isn't Big Oil Drilling More?" ¹⁰, or the *Denver Post* to write on June 13 th, "US Faces reality Check Over Oil." ¹¹ or the *New York Times* to write a story asking why, for six years ChevronTexaco's stated oil reserves have risen while their production has steadily fallen. ¹² Are we drilling more now and enjoying it less? Where is the money to drill with coming from as oil companies buy back shares, streamline and build up cash reserves?

Duh!

Big oil isn't drilling more because they know there are no more large finds out there to drill in. More drilling doesn't mean more supply. It means more holes in the ground. This is what people like , M . King Hubbert, Kenneth Deffeyes, Richard Duncan, Walter Youngquist, Colin Campbell, Kjell Aleklett, Jean Laherrère, Richard Heinberg, Julian Darley, Matt Simmons and all of our colleagues have been warning about for years.

That is why I have taken such pains over the years to document how the world's economic system is hopelessly corrupt and absolutely incapable of telling the truth. Yet, even still so, there are signs that the thin veneer between outward confidence and fear; between a half-truth which is really a lie and a whole truth which can lead to real solutions; is fast dissolving. Until *that* Rubicon is crossed the deception and denial are overcome, there will be no real solution other than continued war, bloodshed and destructive behavior which is blocking us from more peaceful, longer-term and more humane solutions.

George Bush and Dick Cheney may have meant it when they said that the American way of life is not negotiable. But it most certainly is on life-support and being sustained by cruelty, brute force and lies.

The markets just can't hide it anymore.

On April 7th, J.P. Morgan hosted a two-day private conference call for its analysts and major investors titled "Peak Oil , : Fact or Fiction?" *FTW* secured permission and got veteran investigative journalist Suzan Mazur on the line to listen to that conference and we reported on it to our subscribers. (I listened too.) Although barely sticking a toe into the water, the mere fact that Morgan had decided the subject was important enough to address, was a watershed moment.

¹³This, even as *Bloomberg* and *Forbes*, were advising their more sophisticated readership about profit opportunities and likely consequences of Peak Oil's arrival. That, of course, raised the unholy specter of wild speculation that could cause untold human suffering as prices gouged and crippled through price gouging.

It reminded me of the recommendation of Matthew Simmons in Berlin that oil futures and speculation insist upon should require a 50% margin requirement for investing in oil derivatives (futures).

Finally, at long last, someone said it all in plain English on June 13, 2004. On that day the *Seattle Times* wrote an editorial titled "Oil and S&P connection points to grim news for stocks." Finally!¹⁴

Even as this was finally admitted, CBS News *Market-Watch* issued a bulletin saying that US new home sales had fallen sharply in April. That was followed shortly thereafter by another bulletin from another source drawing attention to a sudden and dramatic increase in America's M3, credit-based, money supply.

The Federal Reserve has confirmed our Stock Market Crash forecast by raising the Money Supply (M-3) by crisis proportions, up another 46.8 billion this past week. What awful calamity do they see? Something is up.

*This is unprecedented, unheard-of pre-catastrophe M-3 expansion. M-3 is up an amount that we've never seen before without a crisis - \$155 billion over the past 4 weeks, a \$2.0 trillion annualized pace, a 22.2 percent annualized rate of growth!!! There must be a crisis of historic proportions coming, and the Federal Reserve Bank of the United States is making sure that there is enough liquidity in place to protect our nation's fragile financial system. The amazing thing is, the Fed's actions mean they know what is about to happen. They are aware of a terrible, horrific imminent event. What could it be?*¹⁵

We have to pay for \$100 (or higher) a barrel oil somehow. Why don't we just print the money? Anyone who has heard of the damage done by inflation and hyperinflation to those least able to cope with it should think back to Germany's Weimar Republic in the 1920s. Perhaps they should also look ahead to future wars as the US Navy announced on May 31 st that it was deploying a US aircraft carrier battle group to the Gulf of Guinea off the West African coast for a joint exercise with our new-found friends; the tiny island nations of Sao Tome

and Principe which had just experienced a US-friendly coup.¹⁶

I no longer need to defend Peak Oil and Gas. My assistance on that front seems wholly unneeded. It's doing fine all by itself. It is what we are doing in the face of it that presents mankind's greatest challenge and the challenge of my future work.

As if to punctuate this report and remind us of the great fear expressed by one attendee at the Berlin conference, on June 16, CNN reported that the security chief for all oil operations in northern Iraq had been assassinated by ambush as he left for work that morning. This, but a one day after another bombing of a major Iraqi pipeline.¹⁷

Footnotes

- ¹ Porter, Adam, "Is The World's oil Running Out Fast?", BBC News, June 7, 2002.
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- ³ "G8 offers opportunities for Bush", CNN, Monday June 7, 2004
- ⁴ Jordan, James and Powell, James, "After The Oil Runs Out", *The Washington Post*, June 6, 2004, page B07].
- ⁵ "G-7: Oil Price Threatens World Economy", *The Moscow Times*, April 26, 2004.
- ⁶ Op Ed, Burnett, H. Sterling, "Enough Oil to Last 500 Years", *The Houston Chronicle*, May 29, 2004.
- ⁷ Canto, Victor A., "Hubbert's Holes", *The National Review*, June 4, 2004.[NYP] Will, George F. "America After Oil", *The New York Post*, June 13, 2004.
- ⁸ "Shell Reduces Estimates for Fourth Time This Year", Canadian Broadcasting Company, May 24, 2004.
- ⁹ Stanley, Bruce, "BP defends oil reserve estimate method", *Associated Press Business Wires*, June 14, 2004.
- ¹⁰ "Why Isn't Big Oil Drilling More?", *BusinessWeek*, June 21, 2004.
- ¹¹ Raabe, Steve; "US Faces Reality Check Over Oil", *Denver Post*, June 13, 2002.
- ¹² Berenson, Alex, "An Oil Enigma: Production Falls Even as Reserves Rise", *The New York Times*, June 12, 2004.
- ¹³ http://www.fromthewilderness.com/free/ww3/042204_mazur_morgan_oil.html
- ¹⁴ Burns, Scott, "Oil and S&P connection points to grim news for stocks", *The Seattle Times*, June 13, 2004.
- ¹⁵ <http://www.safehaven.com/article-1597.htm>
- ¹⁶ Belida, Alex, "US Navy to Deploy Aircraft Carrier Strike Group in the Gulf of Guinea", Voice of America News, May 31, 2004.
- ¹⁷ "Oil Security Chief Slain in Iraq", CNN, June 16, 2004; <http://www.cnn.com/2004/WORLD/meast/06/16/iraq.main/index.html>.
- ¹⁸ <http://www.peakoil.net/uhdsg/UppsalaProtocol.html>.

Draft Extradition Update

As regular FTW readers know, four months ago we began contacting the embassies and consulates of 75 countries and asking the following question: "Under existing treaties, is _____ obligated to extradite fugitives (back) to the United States for draft evasion?"

Replies have come slowly, but since this chart was first published in the Feb '04 issue of this newsletter, we have received additional replies from the following countries: Argentina, Brazil, Colombia, Nigeria, Peru, Poland, and South Africa). Last updated April 22, 2004, this chart will be continually updated until all 75 countries on our list have responded. Updates can be viewed online, in Mike Ruppert's article, "Nowhere to Run, Nowhere to hide."

	Extradite Yes/No?	FBI LEGAT	NORTH- COM	NATO	ANZUS	CONDITIONS
Argentina	No*	Yes				* "Requested State may refuse extradition for offenses under military law that are not offenses under ordinary criminal law (article 4, military offenses-paragraph 4"
Australia	Yes	Yes			Yes	
Brazil	Yes	Yes				
Canada	Yes	Yes	Yes	Yes		
Colombia	Yes	Yes				Case by case basis
Germany	Yes	Yes		Yes		
Italy	Yes	Yes		Yes		
Mexico	Yes	Yes	Yes			
New Guinea	No					Will not extradite
New Zealand	No				Yes	Will not extradite if violation of military law
Nigeria	No	Yes				"No treaty exists between US and Nigeria to mandate repatriation of draft dodgers"
Norway	No			Yes		Discretion of Foreign Ministry
Panama	Yes	Yes				
Peru	Yes					Case by case basis
Philippines	Yes	Yes				
Poland	No	Yes		Yes		"Extradition can also be denied if military offense does not constitute a felony under existing national penal code (Art 5, sub-section 4)"
Portugal	No			Yes		
Russia	No	Yes				"No agreement for extradition exists"
South Africa	No*	Yes				"The Executive Authority of the Requested State shall refuse extradition for offenses under ordinary criminal law."
Spain	Yes	Yes		Yes		
Sweden	No					No, if only crime is against military law
Switzerland	No	Yes				No, if only crime is against military law
Thailand	Yes	Yes				