

# Tara Foundation

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## Editorial

*The M3 Motorway is a microcosm of the State’s “roads programme”:  
unnecessary, criminally wasteful of valuable resources, and, above all, intended  
to secure interests diametrically opposed to that of the country the Government  
purports to serve. The Irish people have no choice but to pay vast sums,  
unequalled in the experience of any developing EU country, for a “roads  
network” that not only does not work, but is not even intended to work.*

*The NRA’s original national roads scheme was outlined in its 1998 report,  
National Road Needs Study. This report, based on data of long-distance (inter-*

*city) road use provided by a French toll consultancy company, proposed that existing roads would be upgraded to dual carriageway and motorway status, and bypasses built to relieve towns. However, in 1999, Noel Dempsey, now Minister for the Marine and Natural Resources, directly lobbied the NRA to change the scheme in favour of five motorways radiating from Dublin, and built on greenfield sites alongside existing routes. The adoption of this scheme saw the end of a rational approach to road planning based on the need of the country as a whole, and the beginning of a financial black hole, whose object was to force large-scale rezoning and ill-considered development by pouring billions into Dublin-centred motorways.*

*The M50 is a black hole in itself: upgrades have already cost €1 billion, and more are promised; the State has just committed €600 million to buy out the West Link toll bridge; and another motorway between Naas and Drogheda is in the works, so that motorists can avoid using the M50. But the M3, to run between Kells and Clonee, will also feed the M50, and still another motorway, the M2, is intended to run alongside the M3, on the far side of the hill of Skryne, between Ashbourne and Slane, and will also feed the M50. So, if one takes into account the existing M4 (an upgrade of the N4 to motorway status along part of its length) and M1 motorways, the plan is to have four motorways running side by side through Co. Meath, in addition to the existing N1, N2, and N3 roadways. With the abandonment of any intention to restore a rail link between Kells and Dublin, there is to be no alternative to road transport; and somehow, the M50 is to support the additional traffic volumes.*

*“Somehow” is the operative word: those responsible for these policies are not concerned that they will “fail”, because this “failure” is planned. The immediate imperative is to rezone Meath and thus provide rewards for the political support of developers, and building motorways, however unnecessary they might be, is the chosen method. By means of a policy that rules out upgrading existing roads and instead building greenfield motorways alongside, the routes can be changed to benefit the landowners and developers; providing such benefits is of course the immediate aim of the “roads programme”. But the wider objective is not financial but political: the removal of all restraints on profit-driven planning means that the Irish people, who fund the “roads programme”, are more than ever isolated in poorly-serviced, sprawling and contextless housing schemes, and thus, with no public transport to speak of, are forced to use cars.*

*The more central government gets away with, the less it is required to live up to its responsibilities; the net result is dependency and political weakness on the part of citizens. The sheer apathy with which most people have greeted the degradation of politics shows how well it has worked. There must be no mistaking the ultimate objective. The destruction of the natural and cultural*

*heritage of Ireland, and the subordination of its citizens, is intended to prove what those in authority already believe: that Ireland has no right, because it lacks the ability, to be independent. The horrific scenario envisaged by State functionaries for decades, that which they have laboured without cease to avert, is that Ireland, rich in natural resources and strategically placed, has the potential of becoming the equal of any nation in the world.*

*The State's subservience, incompetence and mismanagement is not a symptom of inability to govern, though that is the intended message. It is an image, carefully cultivated and prepared over many years. Its intention is to achieve the end of independence, by achieving a cultural and economic backwater.*

## **Bottom Trawling in Ireland and Alaska: Part Two**

### **The Effects of Bottom Trawling in Ireland:**

*Ireland's cold-water coral reefs, situated off the West coast, are home to a estimated one thousand three hundred species of invertebrates and fish, including commercially important ones such as redfish. These unique habitats are similar to the coral reefs found in warmer and shallower waters, such as the Great Barrier Reef in Australia. [1]*

*These reefs are formed by two coral species, *Lophelia pertusa* and *Madrepora oculata*, which interconnect with tubes of the worm *Eunice norvegicus*. [2] *Lophelia pertusa* is the most common aggregate-forming deep-water coral. As with tropical coral reefs, *Lophelia* communities support diverse marine life, such as sponges, polychaete worms, mollusks, crustaceans, brittle stars, starfish, sea urchins, bryozoans, sea spiders, fishes, and many other vertebrate and invertebrate species.*

*Lophelia has been found most frequently on the northern European continental shelves between 200 and 1000 m, where temperatures range from 4° to 12°C, but it has also been found at depths greater than 2,000 m. [3] Over 860 species of animals have been recorded on *Lophelia* reefs in the north-east Atlantic, and about 300 on single reefs off Norway, Shetland and Bay of Biscay. Such a richness of species is similar to that on shallow water tropical reefs, although *Lophelia* reefs lack plants and plant eating animals. These numbers are remarkable for a single habitat when one considers that about 6,000 species occur in all of Ireland's coastal marine environment. [4] Linear skeletal extension rates for individual *Lophelia pertusa*, one of the main North Atlantic species, range from 2 to 25mm per year, slowing down with increasing age, so reef accumulation is extremely slow.*

*The potential impact of towed demersal gear on European deep-water coral reefs has become a major source of concern. [5] In 1999, the UK High Court ruled that the EU Habitats Directive (92/43/EEC), applies to UK continental shelf waters up to a limit of 200 nautical miles.*

*However, the offshore deep-water reefs of all EU countries remain unprotected from current industrial fishing practices [6], and the recent failure of the UN to pass the proposed global measure has simply emphasized that fact. Towed gear has had, and continues to have, long-lasting detrimental effects on biogenic reefs in shallow European waters, and has caused extensive damage to deep-water coral reefs off Norway and Tasmania. There is widespread concern over potential damage to deep-water coral reefs, since they are built up over centuries. On a seabed largely of sand, mud, gravel and shell, the coral reefs form the most structurally complex physical habitat for species in the deep sea. A rich diversity of animals also occurs around the reefs, some burrowing two metres down into the sediments. Amongst the coral branches occur fish: (redfish, saithe, cod, ling, and tusk), squat lobsters and other crustaceans, molluscs, starfish, brittlestars, sea pens, and sea urchins. A wide variety of animals grow attached plant-like to the coral, including sponges, bryozoans, hydroids, and other coral species. As is the case for most species living on hard surfaces, most feed by catching plankton and particulate matter from the water. The numbers of species of the various animal groups associated with Lophelia reefs are 18 – 30 % of their number in coastal seas around Britain and Ireland. If the above factors are taken into account, and we expect about 20 % of the number of coastal species for each taxonomic group to occur in the deep sea, then it is likely that the number of species on Lophelia reefs will be doubled with further research (still excluding protozoans and microbial species). [7] There has been no formal review of records of Lophelia Pertusa in Irish waters, though there are many records. [8]*

*The south end of the Rockall Bank and the shelf on the opposite side of the Rockall Bight (to the north-west of Donegal), all hold (1994) large structures. These are “haystack” shaped, with some having a less regular shape and may extend in ridge-like forms. The base sizes are up to 1,800 metres across with a height of 65-165 metres. The mounds in the North Porcupine Seabight studied in 1998 varied from 1km in diameter, to the largest which is 120km in height. Many of these mounds had a buried segment underlying them, which indicates a long history of these structures with progressive layers of sedimentation. A 1998 study described a line of nineteen mounds running southwards. One of these (the Theresa Mound) is home to some of the best-developed coral ecosystems in the Northeast Atlantic. These studies were undertaken in depths of 400-1000m. [9] These coral beds have been extensively damaged by deep water trawling for about 30 years. [10]*

*Though there is no exact information available, the most heavily trawled parts of the deep sea appear to be the edge of the continental shelf, where Lophelia reefs are most recorded. Depths down to 1500 metres are now trawled, ploughing the seabed and removing large numbers of fish. Damage by bottom trawling for fish has turned parts of reefs to rubble off the coasts of Norway and Shetland.*

*Despite its deep water habitats, the coral can grow at similar rates to tropical shallow water corals. Norwegian studies indicate it grows at 6 mm per year, so reefs of one to two metres high are hundreds of years old. Bottom trawling damage can thus destroy this unique habitat which would take centuries to recover (and only if not damaged again).*

*The impacts of trawling on deep sea coral ecosystems is significant because the fauna of such areas is not tolerant to such physical disturbance. Commercial fisheries may also affect deep sea ecosystems through removal of the fish predators from the food web. The Convention of Biological Diversity obliges countries to protect and research both the **economic** (fish, shellfish, seaweed) and **ecosystem** (sea bed species of indirect economic importance) aspects of biodiversity. [11]*

*Until 2002, there were no studies into the effects of deep trawling on Irish reefs. Some studies funded by the European Commission found that significant effects are occurring. The 2002 study found significant coral by-catch in just five of 229 hauls observed of French trawlers working in the Porcupine seabight areas due to the skippers wish to avoid uneven ground. [12] From research surveys, damaged coral is evident in a number of areas, illustrated by the fishing debris found on the Theresa Mound (2001).*

*In the late 1980s, large-scale fishing operations began to expand along the Northeast Atlantic continental shelf break as traditional stocks of shelf-dwelling species (e.g. cod) declined and markets were developed for deep-water species such as roundnose grenadier, orange roughy, black scabbard fish, leafscale gulper shark and Portuguese dogfish. [13]*

*Scientific knowledge of the effects of deep-sea fishing is still in its infancy, but photographs and acoustic surveys have recently located trawl marks at 200-1400m depth all along the Northeast Atlantic shelf-break area from Ireland, Scotland and Norway. These trawl scars are up to 4km long and characterized by parallel trenches where otter doors, rockhopper gear and nets have damaged epi-fauna, dragged rocks and turned over sediment.*

*More recent studies have emphasised the need for improved management of offshore areas worldwide, as there have been rapid declines in fish stocks and widespread degradation of deep-water habitats by the fishing industry. [14] One study in particular analysed two French trawlers (Allain, 1999) on eight trips between 1995 and 1997. These trawlers were typical of the fleet currently fishing the West of Ireland continental shelf area. Both boats had trawls fitted*

with rock-hopper gear and two 900m otter boards. The fishermen targeted sedimentary areas on the upper parts of the continental slope, avoiding areas with steep or rough terrain. On-board, by-catch analysis indicated that commercial otter-trawling with rock-hopper gear damaged coral habitats along the West coast of Ireland continental shelf area. One example listed the vertebrate catch from a haul taken in the Rockall Trough particularly noted for coral by-catch. [15]

The dead portions of the by-catch included an array of sessile suspension feeders (*sponges, gorgonians, hydroids, anemones, serpulids, barnacles, bivalves, bryozoans, brachiopods, crinoids, tunicates, etc*). The complex, three-dimensional architecture of this coral matrix trapped sediment and harboured diverse species such as *worms, crustaceans, mollusks and echinoderms*. [16] There are no quantitative data on coral by-catch but pieces up to ca. 1m<sup>2</sup> were landed on deck.

*Coral by-catches from Irish waters off the west coast had more diverse coral assemblages than those encountered in Norway. L. pertusa and M. oculata were common, but S. variabilis, E. rostrata and D. cristagalli were also widespread.* [17]

In addition, a bathyal solitary coral of the genus *Stephanocyathus* was obtained from French commercial trawls working in the Porcupine seabight in 1999. This is proof that the coral reefs off the West Coast of Ireland are ancient, having been in place for at least the last 4.5 millennia. Little is known about the ecology of these habitats, but they appear to have a more diverse coral assemblage than reported further north, in the colder Norwegian waters. [18] Actual realization of the extent of damage to deep-water corals off Tasmania and Norway met with a rapid response from the respective national governments. In Norway, for example, fishermen first warned of widespread reef damage by trawlers in 1994, leading to preliminary surveys and then area closures to prevent long-term ecological damage to selected coral reefs in 1999. Extensive conservation measures are urgently needed to protect coral reefs within Irish waters, following the example set by Norway and Australia. On a typical 15 day trip, otter trawlers currently sweep ca. 33km<sup>2</sup> of continental shelf-break habitat. Although the fishermen allegedly try to avoid dense coral reefs, nevertheless on the Coral beds "collateral damage" does occur. Areas where corals are known to be at risk of damage are Northwest Rockall and the 'Darwin Mounds' in the Northeast Rockall Trough. [19]

In 2003, Dr. Hall-Spencer videoed parts of the reefs when on an expedition off Ireland's west coast using the German research vessel *Polarstern* and the French remote-operated vehicle *VICTOR*. The reefs lie 85km offshore at a depth of one to three kilometres. The expedition found fishing boats with deep sea trawling gear smashing the reefs as the gear was dragged over them. "About 40 percent of what we filmed had been smashed up," he said. "They smash corals

*4,500 years old. Their nets plough through anything that's fragile. They wipe out fish and there's no longer any habitat for them to breed."* [20]

Part Three of this Article can be found in the **March** Edition.

Footnotes:

[1]

[http://www.panda.org/about\\_wwf/what\\_we\\_do/marine/news/successes/index.cfm?uNewsID=21470](http://www.panda.org/about_wwf/what_we_do/marine/news/successes/index.cfm?uNewsID=21470)

[2] <http://www.ecoserve.ie/projects/coral/index.html>

[3] <http://www.coris.noaa.gov/about/deep/>

[4] <http://www.ecoserve.ie/projects/coral/index.html>

[5] *Trawling Damage to Northeast Atlantic Ancient Coral Reefs*, The Royal Society, 12th February 2002, p.1.

[6] *Ibid.*

[7] <http://www.ecoserve.ie/projects/coral/index.html>

[8] Advisory Committee on Ecosystems, Report of the Study Group on Mapping the Occurance of Cold Water Corals. May 2002. International Council for the Exploration of the Sea, (ICES), p. 7.

[9] *Ibid.*

[10] <http://www.ecoserve.ie/projects/coral/index.html>

[11] <http://www.heritagecouncil.ie/publications/biodata/5.html>

[12] Advisory Committee on Ecosystems, p. 13; *Trawling Damage to Northeast Atlantic Ancient Coral Reefs*, p.509

[13] *Trawling Damage to Northeast Atlantic Ancient Coral Reefs*, p. 507.

[14] *Ibid.*

[15] *Ibid.*, p. 508

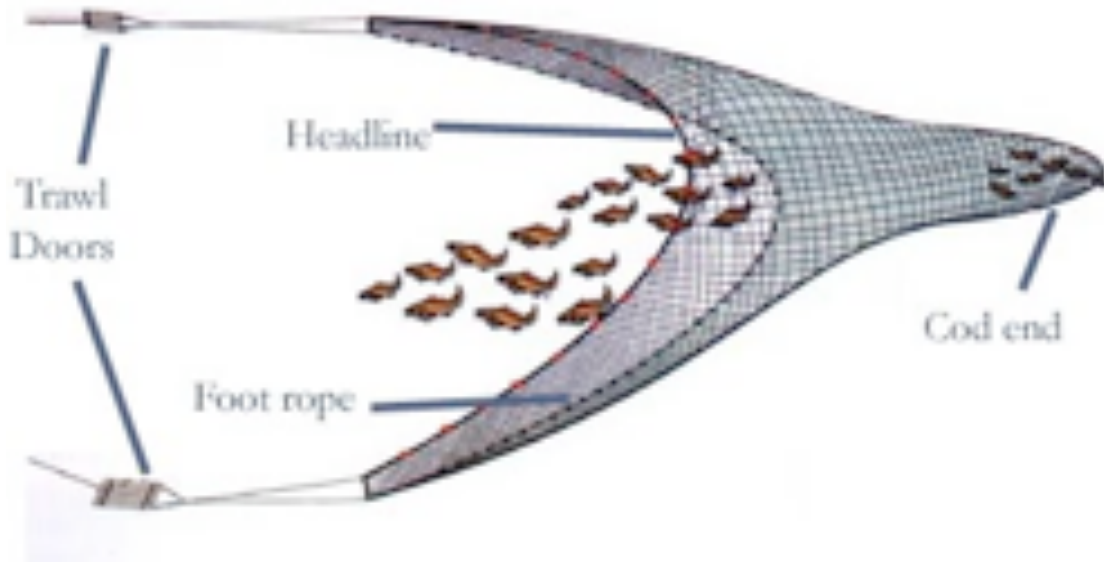
[16] *Ibid.*, p. 509

[17] *Ibid.*, p. 510

[18] *Ibid*; Hovland & Mortensen 1999).

[19] *Trawling Damage to Northeast Atlantic Ancient Coral Reefs*, p. 511

[20] <http://www.cdnn.info/news/eco/eo50906.html>



**How bottom trawling works. From the Wikipedia article on Bottom Trawling.**

## ***Social Housing and Planning Doctrine***

***In 1999, the Supreme Court ruled on the constitutional status of the Planning and Development Bill 1999. The Court found that the Affordable Housing measures the Bill proposed were of sufficient importance to allow the constitutional right of developers (to maximise profits from land they proposed to build on) to be overridden or curtailed to some extent. This decision meant, in effect, that, under Articles 40 and 43 of the Constitution, all Irish citizens have a right to be housed, irrespective of their ability to afford it.***

***The Bill as enacted in 2000 required developers to set aside 20 percent of land or housing units for affordable housing. But, in a move which illustrates the close links between the development sector and political interests, the 2002 Amendment to the Act allowed developers to provide payments or alternative sites in lieu of this obligation. The success of this measure is demonstrated by the fact that today, the State only provides 8 percent of all new homes. Just 374 social and affordable units were built by 2004, half of them in the Fingal County Council area. But large residential developments built by private firms are still being advocated, in many cases by individuals directly involved in the planning process, on the promise of affordable housing: the huge apartment schemes in the Dublin Docklands, and 1600 proposed units at St. Edmundsbury, Lucan, are just two recent examples.***

***The affordable housing clause is used, on the one hand, as a bargaining chip, to convince town planners to approve developments that subvert every notion of sensible and sustainable planning, while being enormously lucrative***



*for their backers, while there is neither the intention, nor any necessity, to provide the promised affordable housing. On the other, it is a public relations device, to sustain the illusion that such construction projects are somehow necessary or defensible.*

*Due to generous tax incentive schemes, developers are guaranteed tax write offs for up to ten years against any other properties they hold, regardless of location, if they undertake new developments falling under these schemes. So taxpayers have no choice but to provide vast subsidies to the construction industry. This politically powerful sector has been given every facility to construct huge and wasteful low-density schemes, usually poorly serviced, designed without any sensitivity for the surrounding environment, and constructed to minimal standards. The State fully cooperates with forced development, targeting zones where large amounts of cheap agricultural land has been acquired by well-connected developers, and then proposing road projects which will enable these lands to be rezoned for commercial development, and hence to multiply in value.*

*The State has perfected a system whereby citizens are held to ransom by a dilemma: either to accept roads schemes which are not only disproportionate but are enormously wasteful in terms of money and materials, or put up with no transport whatever. Such road schemes then make the rezoning of adjacent land inevitable; indeed, rezoning seems to be the primary consideration for the near-exclusive emphasis on motorway construction in State transportation policy.*

*It would be a relatively simple matter to restore the numerous existing railway stations and lines which have been allowed to fall into disuse, as the basis for a comprehensive rail-based solution to the transport issue, and to facilitate cautious and regulated development throughout the country. The reason that this has not happened is not to be sought in mere lack of will, or vision, or time. It is a deliberate and clear-sighted choice by State officials. If their commitment were to the public good, the policy would be to end the drain of public revenue into private concerns, and force these concerns to provide compensation for the lavish benefits they receive from the public. Yet, to date, the State has consistently set its face against the basic constitutional rights of its citizens, in favour of using the country as a bank to fund multinational companies.*

***“Secondary Legislation” – circumventing the Irish parliament***

*With the European Communities Act 1972, the Oireachtas passed into law the measure that Treaties of the European Union, and obligations on member states accruing from those treaties, would have the same status and effect as Acts of the Oireachtas. But the legal issues surrounding enforcement of EU measures, for instance those to do with fisheries policy, are not so straightforward.*

*For many years, EU regulations have been used by the Irish State as a pretext for refusing to replace aged fishing vessels, and closing down the industry, even while the fleets of larger countries, such as Spain, are allowed unfettered access to Irish waters. Because Ireland has practically no navy to speak of, effective policing of these fleets is impossible. The miniscule resources at the disposal of the Naval Service have been devoted mainly to pursuing Irish fishermen involved in relatively minor breaches of EU regulations concerning net sizes and fish stocks, while the larger nations are mostly immune from repercussions, despite correspondingly greater breaches. In this context, enforcement of regulations is almost meaningless, except as a means to crack down on fishermen, and make the prospect of continuing in the industry ever more unlikely.*

*That such an interpretation is not an exaggeration can be seen in the means of enforcement: the Irish State has been using a phenomenon known as secondary legislation to criminalise actions by Irish citizens that are in breach of EU provisions. Secondary legislation, also known by the term “Statutory Instrument”, is a means whereby a minister can pass a measure into law without placing it before the Oireachtas for approval.*

*The British Parliament enabled the use of the S.I. in a 1946 Act, and it forms a standard part of the administrative structure of the UK. The picture is not so clear-cut in the case of Ireland: an Act passed by the Oireachtas in 1947 provides for the official publication of S.I.s, but it seems that there has never been an attempt to establish the S.I. on a sound legal footing in Ireland. According to Article 15.2 of the Constitution, the only body capable of making law is the Oireachtas. In addition, in order to legalise the making of an S.I., the Oireachtas would have to mandate the creation of a subordinate law-making body for that specific purpose. But the Oireachtas has never done this. So the practice whereby Ministers have used S.I.s to give effect to EU law, without specific enactment of that law by the Oireachtas, is clearly unconstitutional.*

*The Supreme Court cases *Browne v. Attorney General* (2003), and *Kennedy v. Attorney General* (2005), established that the Minister for the Marine and Natural Resources had acted *ultra vires*, that is, had exceeded his legal authority, in subjecting the named individuals to criminal prosecution for breaching EU fishing regulations; regulations that had been given effect through*

*S.I. The Government is currently trying to close this loophole with the European Communities Bill 2006.*

*But the constitutional point stands: the State is acting illegally in its consistent policy of subjecting fishermen and farmers to criminal prosecution for failing to adhere to the letter of EU regulations. The majority of these regulations have been enacted through S.I.. But if the State has no legal right to prosecute individuals for acting in breach of these regulations, the logical conclusion is that these regulations cannot be enforced; in other words, they do not have the status of law under the Constitution. In order to become law, they would have to be enacted, through a specific act of legislation, by the Oireachtas. Then, of course, a further issue would arise, that of the constitutional status of these EU provisions.*

*With reference to such issues, the urgency with which Irish politicians have backed the revival of the "EU Constitution" becomes comprehensible. The intention is at all costs to abolish Irish sovereignty, and a big step in this direction would be the abolition of the Irish Constitution.*



Burma: from Wikipedia (<http://en.wikipedia.org/wiki>)

## *Total War in Burma: Part 2*

*In 2004, in attempting to stop the Unocal lawsuit, lawyers acting for the Bush Administration argued that Unocal (now Chevron-Exaco), *should not be liable* for aiding and abetting widespread human rights abuses in Burma on*

*behalf of the Burmese regime while engaged on construction of the Yadana pipeline project in Southern Burma. [1]*

*“The Administration has previously argued in court that those who aid and abet terrorists can be sued. But to protect narrow business interests, they now say those who aid and abet crimes against humanity should be immune,” said Richard Herz of EarthRights International, co-counsel for the plaintiffs. The plaintiffs in John Doe I v. Unocal Corp. are villagers who lived near the pipeline. Some were forced to work in extremely harsh conditions on pipeline infrastructure by the military, Unocal’s project partner. The remainder suffered other egregious abuses including rape, murder and torture at the hands of soldiers providing “security” for the project.*

*The Bush Administration wanted the case dismissed, arguing that aiding and abetting liability “could deter” companies from “economic engagement” with oppressive regimes. Plaintiffs’ counsel Jennie Green of the Center for Constitutional Rights (CCR) stated, “This Administration would allow U.S. corporations to get away with murder, rape and other torture. Unocal knew these abuses would occur when it partnered with one of the world’s most repressive dictatorships, and Unocal’s actions furthered the abuses. Decisions by U.S. courts are clear that when corporations participate in human rights abuses, U.S. courts can hold them accountable.”*

*The suit was filed under the Alien Tort Claims Act, which allows victims of human rights abuses to sue those responsible. Recently, the Bush Administration argued to the U.S. Supreme Court in *Sosa v. Alvarez-Machain* that no human rights claims should be actionable under the statute. In July, the Supreme Court rejected the Administration’s position and upheld the law. [2]*

*The settlement was one of Unocal’s last major actions as an independent oil company. Pending approval by its shareholders and US authorities, Unocal will be acquired by ChevronTexaco. Coincidentally, some of the same groups that litigated *Doe v. Unocal*, including ERI, were also co-counsel in *Bowoto v. ChevronTexaco*, a lawsuit alleging complicity in human rights violations by the oil giant in Nigeria. The lawsuit against ChevronTexaco bore many parallels to the *Doe v. Unocal* case. [3]*

*Meanwhile, exploitation of Burma’s huge oil and gas resources is rapidly intensifying. Premier Oil, a British oil company, was the first company to sign an exploration deal with Burma’s military regime for the exploitation of the Yetagun offshore gas field in May 1990. Its partners were Petronas (Malaysia’s state oil company), Nippon of Japan, the Petroleum Authority of Thailand (PTT) and the Myanmar Oil and Gas Enterprise (MOGE) which is a subsidiary wholly owned by the Burmese military junta. A \$650 million capital investment was required to finance the project and the gas started flowing in May 2000. It is estimated the field will continue to produce gas for at least 20 years. UK energy*

consultants, Wood Mackenzie, have estimated that Burma's earnings from Premier's Yetagun field will be roughly \$823 million through to 2025. [4]

The development of the Yetagun gas project in Burma was Premier Oil's largest asset by value. Even though Premier's share was only 27%, they were the main operator of the project before they were forced to pull out due to a combination of public lobbying, shareholder disquiet and threat of legal action over atrocities committed in the Yetagun pipeline area.

Premier's two largest shareholders, Petronas and Amerada Hess (now Hess Corporation), a New York based oil company, will strip the company of its Burmese and Indonesian assets respectively. [5], [6], [7], [8]

The Yetagun pipeline travels down the same route cleared for the Yadana pipeline. [9]

Halliburton was also involved with the Yetagun project. In 1998, Dresser Industries was purchased by Halliburton. In the same year, a subsidiary of Dresser called Bredero-Price (now Bredero Shaw) manufactured the coating for the Yetagun pipeline.

Bredero Shaw offers a range of pipe coating systems for protecting pipelines above ground, below ground and offshore. It is the world's largest international applicator of pipeline coatings for the oil and gas industry. [10]

In a new development, both China and India have signed agreements with the Burmese military regime, indicating their willingness to buy gas from the proposed Shwe ("Gold") gas project in western Burma, with Thailand as ever expressing interest. Both China and India are now rapidly intensifying arms shipments to Burma. [11]

The Norwegian drilling company Frontier Drilling has joined the project, joining the list of ill-reputed companies operating in Burma. The company has carried out drilling operations for the Korean firm Daewoo in the Shwe gas field, Frontier Drilling has its headquarters in Bergen, Norway, but is today a wholly owned subsidiary of FDR-Holdings, which is registered in the Cayman Islands. The company is owned by several US fund managers.

FDR-Holdings is consequently controlled by private American funds. These funds include **Carlyle/Riverstone – that is, The Carlyle Group of Washington, D.C.** (Carlyle), and **Riverstone Holdings LLC** of New York, N.Y. – and the New York-based finance and investment bank **Credit Suisse First Boston (CSFB)**. [12]

The Carlyle Group, headquartered in Washington D.C., was established in 1987 as a "private global investment firm that originates, structures and acts as lead equity investor in management-led buyouts, strategic minority equity investments, equity private placements, consolidations and buildups, and growth capital financings."

*Hoover's Online described the Carlyle Group as a military-industrial complex. The company takes part in management-led buyouts (MBOs), acquires minority stakes, and provides other investment capital for companies.*

*Carlyle's directorship list indicates extensive political connections to the U.S. political elite and to the Bush family in particular. Reagan-era Secretary of the Treasury James Baker serves as a senior counselor, and Richard G. Darman, former director of the Office of Management and Budget under George Herbert Walker Bush, is a managing director. Former President George Bush (I) has served with Carlyle.*

*The company has more than \$13 billion in assets under management and has invested in such names as: United Defense Industries, of Crusader artillery and Bradley Fighting Vehicle fame; Dr Pepper/Seven Up Bottling Group; and MedPointe Inc.[4] Carlyle owns about 90% of Voight Aircraft Industries, Inc. Although the majority of the firm's money is in North America, it is also pushing more intensely overseas, launching funds aimed at Asia, Europe, Latin America, and Russia. [13]*

*In August 2000, Daewoo signed a contract with Myanmar Oil and Gas Enterprise (MOGE). Daewoo is the chief operator, but also included are Korean Gas Corporation (KOGAS) and two Indian companies: Gas Authority of India (GAIL) and ONGC Videsh. In 2004 Daewoo found enormous amounts of gas in the Shwe field, at that time valued at approximately US\$19 to 20 billion. New finds were made in 2005.*

*If built, the Shwe project would be Burma's largest gas development project so far. [14]*

*Natural gas deposits were found earlier at Block A-1 (Shwe field and the Shwephyu field) and Block A-3 (Mya field) in the same offshore area in January 2004 and April 2005, respectively; these being explored by another consortium of oil companies led by Daewoo International Corporation with a 60% stake. Other companies include South Korea Gas Corporation (10%), ONGC Videsh Ltd of India (20%) and GAIL (10%).*

*The Shwe field holds a gas reserve of 4 to 6 trillion cubic feet (TCF) or 113.2 to 170 billion cubic meters (BCM), while the Shwephyu 5 TCF and Mya 2 TCF with the three fields estimated to yield up to 14 TCF of gas, experts said.*

*Burma is planning to sell gas produced from these three gas fields to neighboring countries such as India and China through pipelines.*

*According to earlier official report, another Indian company, Essar Oil Ltd, has also reached a contract with Myanmar to undertake gas exploration activities at Block A-2 in the same Rakhine offshore area and Block-L in the coastal region of Sittway.*

*Myanmar has an abundance of natural gas resources in the offshore areas. With three main large offshore oil and gas fields and 19 onshore ones, Myanmar has proven recoverable reserves of 18.012 TCF or 510 BCM out of 89.722 TCF or 2.54 TCM's estimated reserve of offshore and onshore gas, experts have stated. [15]*

*South Korea, a long-standing US client state, is also actively involved in this development. This comes at the same time that Daewoo International and the Government of South Korea face growing international criticism over its huge investment in the Shwe project, which involves the supply of advanced weapons to the Burmese military. Daewoo is at present under investigation in South Korea for this illegal export to the Burmese regime. [16], [17], [18], [19]*

*Naturally, these armaments deals will generate less revenue than the ongoing Shwe project, which has the potential to make Daewoo over US\$ 89 million annually and the SLORC between US\$ 12-17 billion over twenty years. [20], [21]*

*Recent years have seen foreign oil companies increase engagement in oil and gas exploration in Myanmar. Thailand's PTTEP, for example, has covered a number of blocks such as M-3, M-4, M-7, M-9 and M-11 under contracts, while another consortium made up of Chinese and Singaporean companies is also engaged in oil and gas exploration in some onshore and offshore areas.*

*Myanmar has abundance of natural gas resources in the offshore areas. With three main large offshore oil and gas fields and 19 onshore ones, Myanmar has a proven recoverable reserve of 18.012 TCF (510 BCM) out of 89.722 TCF (2.54 TCM) estimated reserve of offshore and onshore gas, experts said. The country is also estimated to have 3.2 billion barrels of recoverable crude oil reserve, official statistics indicate. [22]*

*The Myanmar figures also show that in the fiscal year 2005-06 ending in March, the country produced 7.962 million barrels of crude oil and 11.45 BCM of gas. Gas exports during the year reached 9.138 BCM, earning over 1 billion US dollars.*

*More statistics reveal that since Myanmar opened to foreign investment in late 1988, investment in the oil and gas sector reached \$2.635 billion as of March 2007, dominating the country's foreign investment sectorally.*

*Foreign oil companies engaged in the Burmese oil and gas sector include those from Australia, Britain, Canada, China, Indonesia, India, South Korea, Malaysia, Russia and Thailand. [23]*

*Part Three of this article can be found in the **March** Edition.*



## Footnotes

[1]

[http://www.earthrights.org/legalpr/bush\\_administration\\_supports\\_immunity\\_f\\_or\\_forced\\_labor\\_rape\\_and\\_other\\_torture.html](http://www.earthrights.org/legalpr/bush_administration_supports_immunity_f_or_forced_labor_rape_and_other_torture.html)

[2] Ibid.

[3]

[http://www.earthrights.org/legalfeature/historic\\_advance\\_for\\_universal\\_human\\_rights\\_unocal\\_to\\_compensate\\_burmese\\_villagers.html](http://www.earthrights.org/legalfeature/historic_advance_for_universal_human_rights_unocal_to_compensate_burmese_villagers.html)

[4] [http://www.burmacampaign.org.uk/pm/more.php?id=23\\_o\\_1\\_o\\_M](http://www.burmacampaign.org.uk/pm/more.php?id=23_o_1_o_M)

[5] Ibid.

[6] <http://www.corporatewatch.org.uk/?lid=300>

[7] <http://www.guardian.co.uk/Archive/Article/0,4273,4018615,00.html>

[8] [http://en.wikipedia.org/wiki/Hess\\_Corporation](http://en.wikipedia.org/wiki/Hess_Corporation)

[9] <http://www.corporatewatch.org.uk/?lid=300>

[10] [http://www.halliburtonwatch.org/about\\_hal/burma.html](http://www.halliburtonwatch.org/about_hal/burma.html)

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[12] <http://www.norwatch.no/index.php?artikkelid=1510&back=1>

[13] [http://www.sourcewatch.org/index.php?title=Carlyle\\_Group](http://www.sourcewatch.org/index.php?title=Carlyle_Group)

[14] <http://www.earthrights.org/burma/oilandgas/>

[15] <http://www.shwe.org/docs/india-singapore-group-to-explore-for-gas-offshore-myanmar>

[16]

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[17]

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[18]

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[19] <http://www.irrawaddy.org/aviewer.asp?a=6467&z=154>

[20]

[http://www.earthrights.org/burmafeature/money\\_guns\\_and\\_gas\\_south\\_koreas\\_relationship\\_with\\_burmas\\_military.html](http://www.earthrights.org/burmafeature/money_guns_and_gas_south_koreas_relationship_with_burmas_military.html)

[21] <http://www.earthrights.org/files/supplyandcommand.pdf>

[22] <http://www.shwe.org/docs/india-singapore-group-to-explore-for-gas-offshore-myanmar>

[23] Ibid.



*'Free Burma' banner hung on a Total sign during a Students Against Total protest: Wikipedia*