The Die is Cast

[Revised and updated from our Bulletin of January 24th, 2003. There is important new material at the beginning and the end.]

“It may not have been an official declaration of war, but it was getting very close to it.” – CNN’s Wolf Blitzer after listening to George W. Bush’s State of the Union address on Jan. 28, 2003

“America will not accept a serious and mounting threat to our country, our friends, and our allies. The United States will ask the UN Security Council to convene on February 5th to consider the facts of Iraq’s ongoing defiance of the world. Secretary of State Powell will present information and intelligence about Iraq’s illegal weapons programs; its attempts to hide those weapons from inspectors; and its links to terrorist groups. We will consult, but let there be no misunderstanding: If Saddam Hussein does not fully disarm, for the safety of our people, and for the peace of the world, we will lead a coalition to disarm him.” With these words George W. Bush made it clear that the United States had committed to a plan of action and that the best efforts of nations and individuals to prevent an imperialist invasion for oil have had little effect.

It remains to be seen whether Senator Ted Kennedy’s announced effort to have Congress compel the administration to return for another vote before invading will bear fruit. Of course, if the Administration refuses, it will be one more brick in the slowly building wall that will soon hit most Americans, the ones still in denial; the one with the word “Fascist” written all over it. I found it odd that in describing the evils of the twentieth century Bush was able to say “communism” and “militarism” but he could not say the word “fascism”. Instead he called it “Hitlerism.” Italian dictator Benito Mussolini once said, “Fascism should more properly be called corporatism, since it is the merger of state and corporate power.” I think Bush’s Freudian choice of words was a message that Hitler screwed it up but that he’s going to get it right.

And still history has a way of forcing tyrants into making self-defeating mistakes.

The Associated Press reported on January 24th, in a story little noticed by mainstream American press, that the Japanese government had urged all Japanese citizens to leave Iraq as soon as possible. Japan has large numbers of its nationals working in Iraq in various trade and oil-related business ventures. According to a second report the same day on CNN Headline News the Japanese advisory was specific that all Japanese citizens should be out of the country by next Wednesday at the latest.

The Japanese alert was followed by a simultaneous advisory from the U.S. State Department issuing a worldwide alert to all Americans traveling overseas. According to another AP story, State Department officials tried to downplay the significance of the warning, “but officials were unable to say when the last such advisory had been issued.” A worldwide alert for U.S. citizens is extremely rare and suggests that the administration is concerned about a global backlash against Americans traveling overseas. Cautionary advisories are normally isolated to specific countries or geographic regions.

(continued on page 16)
A Message to Our Subscribers and a Bonus

Thank You!

For the past seven months I have been engaged in the most laborious effort of my life, the writing of my new book, *Crossing the Rubicon: America's Descent Into Fascism at the End of the Age of Oil*. I am pleased to announce that the project is nearly complete and that the book will go on sale through our publisher, Los Angeles-based Feral House, sometime in the spring. Don’t worry, when I have an exact release date you’ll be the first to know.

The process of writing and researching this book has been costly. The most apparent cost to me was the time that it took away from *From The Wilderness* and building it into an even better vehicle to give you life-and-death, critical information on a timely basis. Because so much of my attention has been focused on the book, and because we are planning to relocate to Oregon as soon as possible after the book is published, *FTW* has lost the services of our staff writers who won’t be able to make the move. As you can see, however, we have not had a shortage of material from the many great talents that are arising in these troubled times.

Next month, as a way of saying thank you to the subscribers who have been so loyal and supportive, I have received permission from the publisher to release one sample chapter from the 27-chapter book to our subscribers only. That chapter, titled *Eating the Chosen People*, will comprise the bulk of our next newsletter and it will not be available anywhere else, to anyone else.

And I want to promise all of you that all of my efforts will now be devoted to the critical task of timely reporting of events and an expansion of *FTW’s* ability to keep you better informed and give you a better map of this dangerous world in which we live.

In March of 2003 *FTW* will celebrate five continuous years of publication. From our first mailing of 68 newsletters to a current subscriber base of over 5,000 with more than 4,000 visits a day to our web site we have all come a long way. And all of us have so much more to do. I cannot thank you enough.

Michael C. Ruppert
Publisher/Editor
*From The Wilderness*
www.fromthewilderness.com
Emptying the Larder

The First Real Pains of Peak Oil and Natural Gas Depletion Are Hitting Home in the U.S. As Ranchers Pick Up Rifles and Oil Stocks Hit 27-Year Lows

Can $3.00 Gasoline Be Far Behind?

by Dale Allen Pfeiffer, FTW Contributing Editor for Energy

[The signs are all around us this winter. But few see or admit them. A world on the brink of self-destruction and in denial about what is coming does not have much longer to wait before the first pains of hydrocarbon depletion become felt. In fact there are some, right here, right now, in America who are already feeling the first pains. And already the pattern that has been defined by generations of corporate plutocracy is becoming set in stone. “Just give me mine! I feel sorry for the poor bastards who are victims but I can’t help them. It’s not my responsibility!” This is the evolving human credo for the 21st Century. – MCR]

Jan. 30, 2003, 1900 PST (FTW)

NATURAL GAS

It has been a very cold winter out here in the Midwest, with temperatures hovering below 20° Fahrenheit, and frequently flirting with sub-zero. Meteorologists can find no relief in sight. Even the Deep South has stepped into the deep freeze. Furnaces are working overtime trying to heat homes and buildings, and more and more of these furnaces are running on natural gas (NG).

Due to heating demands, and increased demands from industry as well, the Energy Information Agency (EIA) has recently stated that US demand for NG will rise by 8.7% over last winter’s demand. For all of 2003, they are predicting that NG demand will be up by 4.7%. Due to this increase in demand, the EIA expects NG price at the wellhead to rise to an average of $3.90 per million British Thermal Units (MMBtu’s).¹

NG demand, and as a consequence NG prices, fluctuate throughout the year, with peaks during the winter heating season and again during the summer cooling season. In the week of January 8th, 2003, NG prices had risen to $5.43/MMBtu, compared to last year’s price of $2.39/MMBtu. The most recent EIA report claims a 136 Billion Cubic Feet (Bcf) withdrawal from reserves, while the industry and Wall Street were expecting only a 108-116 Bcf withdrawal. If National Oceanic & Atmospheric Administration (NOAA) predictions are correct, then it is expected that the next EIA weekly report will show a withdrawal of approximately 200 Bcf. Overall, US NG storage is down to 2,195 Bcf, compared to storage of 2,648 Bcf one year ago. Canadian NG storage is down to 295.2 Bcf, compared to 443.8 Bcf one year ago.

Due to these figures, in their Natural Gas Industry Update dated January 16th, Raymond James & Associates stated their belief that “…natural gas markets are poised for a major supply shock this winter.”² Equity analysts at leading Wall Street firms are beginning to bandy about numbers in the $6-8/MMBtu range for the first quarter of 2003.³ While other sources do not expect to see a supply shock this winter, they say that withdrawal combined with lowered production rates will lead to a shock next winter. Experts fear that persistent frigid weather could draw down inventories as low as 800 Bcf by the beginning of April.⁴ On top of this, increased use of NG for electricity generation and the continuing fall in US NG production could lead to lower than usual storage reserve replacement during the April to October injection season. Thus we could begin the winter of 2003-2004 with an unprecedented deficit in available supplies of natural gas.⁵

Even US government officials over the past year have begun to voice concerns about NG supply and prices. Witness the following remark from Rebecca Watson, Assistant Secretary of the Interior for Lands and Minerals, in a keynote address at the Four Corners Oil and Gas Conference: “In the next one to five years we are expecting a severe shortage of natural gas. I encourage natural gas production on public lands.”⁶

Signs of Depletion

With the price of NG climbing and expected to continue doing so, and with demand also continuing to climb, you would expect that energy companies are rushing to ramp up new production. Not so. A recent Lehman Brothers report sees 2003 natural gas production falling by as much as 3%. And they expect this trend to continue for the foreseeable future.⁷ Most of the reserves upon which the US has been drawing for many years are aging. The easy-access reserves are depleted, forcing explorers to spend money searching elsewhere. Exploration and production are becoming more costly, and as a
result exploration & production companies are appearing as a riskier proposition to investors. In a December report, Thomas Driscoll of Lehman Brothers Inc. said production per share fell by 5 to 6% in 2002, in spite of roughly 100% of cash flow being reinvested.8

On top of this, the natural gas industry as a whole has suffered from lack of confidence due to the Enron scandal and the California energy crisis. Many of these companies are in danger of bankruptcy due to a downgrading of debt resulting higher interest rates and other stringent requirements. As a result of Enron, investors simply do not trust the energy companies. And the situation is no better in Canada. According to Canada's National Energy Board (NEB), NG production for 2002 is likely to average 16.6 Bcf/day, down from expectations of 17.5 Bcf/day, this in spite of a more than 40% increase in drilling activity. The NEB now predicts that production from the Western Canadian Sedimentary Basin (WCSB) by year-end 2004 could decline by 4.0% below the year-end 2001 production rate.9

The WCSB has reached maturity and production is beginning to decline. Over the last couple of years this decline has been masked by the discovery and quick ramping up of the Massive Lady Fern reserve. Now, however, the Lady Fern has been depleted at faster than expected rates, and no other such discoveries have been made. As a result, Canadian NG exports to the US fell 0.5% in 2002 compared with the previous year. This is the first such decline in almost twenty years. Exports to the US are expected to drop at an additional 2% in 2003.10

The 40% increase in drilling activity has barely managed to keep NG production flat. This is because the initial productivity of new wells has been declining steadily since 1996. Furthermore, the rate of production from these new wells has been declining at increasing rates.11 The flattening or declining NG production has led to competition for NG between Canadian oil sand extraction projects and US consumers.12 Though not explicitly stated, rising NG prices are likely to have played a part in the shelving of one major oil sands project.13 14 Earlier this year, this writer voiced the doubts expressed by many analysts that Canadian oil sands would rescue us from the depletion of conventional oil reserves due to rising costs of NG required by such an energy intensive undertaking. This recent news strengthens those doubts.

So, with production flattening and declining in both US and Canadian traditional supply basins, where are we to turn to supply the increasing demand for NG? The huge gas reserves located under the permafrost of Alaska and the Canadian Arctic are looked to by many to salvage the NG supply. However, the various pipeline projects under consideration for moving this NG won’t likely begin construction until 2007 at the earliest.15 Moreover, studies are only now beginning to judge how economically viable these projects will be. The preliminary studies indicate that these projects will only be viable if NG can maintain a higher average price, and then only with government subsidies and tax breaks.16

There is also a lot of talk about turning to Liquefied Natural Gas (LNG) imports to bridge the gap between supply and demand. The LNG supply is growing rapidly worldwide, with Indonesia in the forefront as the top LNG exporter in the world. However, LNG must be priced higher than traditional NG, and due to the physics and chemistry of conversion, transport, and reconstitution, LNG will always have a poor net energy profile when compared to traditional NG. LNG currently meets less than 1% of North American demand, and it would require a gas price of about $4 for 1,000 cubic feet for new investment. Therefore, it will be many years before LNG imports are capable of filling the gap between supply and demand.17

Coal Bed Methane: You Can Have Beef or Gas to Cook It, But Not Both

The exploration & production industry, along with the US government, are placing their hopes in coal bed methane extraction, most notably on public lands in the West. The US government is doing its utmost to spur on coal bed methane production from public lands. On Thursday, January 16th, the Bush administration released a report estimating natural gas reserves on public land in the West. Areas listed in the study are the San Juan Paradox in New Mexico, the Montana Thrust Belt, Colorado’s Uinta Piceance, and Wyoming’s Green River Valley and Powder River Basin. The US Geological Survey (USGS) estimates that these five areas contain 1.9 billion barrels of crude oil (a 4 month supply for the US) and 181 trillion cubic feet of natural gas (an 8 year supply). The study, which includes national monuments, national forests and lands for which surface use is leased to ranchers, will provide a sort of a shopping guide to the NG exploration and production industry.18 This study, prepared by the Interior, Agriculture and Energy Departments, further concludes that a large majority of oil and natural gas reserves on western federal land can be tapped with minimal leasing restrictions.19

This report has environmentalists up in arms, and they have a new and unexpected ally in the ranching community. Ranchers are finding it very difficult to coexist with the NG operations. Family wells are becoming unsafe, streams are bubbling with odorous and flammable methane gas. Aquifers and artesian wells on which people depend for water are failing. Many ranchers are being driven out of business, and many more will follow suit. Some ranchers have attempted lockouts; others have picked up guns and taken out their frustrations on methane compressors and other equipment.20

In areas which were once pristine, hundreds of miles of access roads are laid in order to reach the well sites. The landscape is also covered with power lines, wells, compressor stations, and various other types of industrial rubbish. There is no Federal law requiring remediation of the access roads or wells, nor are there state laws in place to protect either people or the land from these ravages.21

But the worst problem has to be the waste water. In most areas, the coal bed methane is trapped beneath vast aquifers. This water must be extracted to access the NG, and it is pumped in staggering amounts. For instance, drillers in the Powder River Basin are expected to pump out 3.2 million acre-feet of water—as much water as New York City uses in two and a half years! Most of this water is contaminated with salts and metals which quickly destroy the surrounding pasture land.22
Ranchers are banding together with environmentalists to fight the NG companies. But there isn’t much which can really be done. The Bush administration sides with the NG industry. Federal laws grant dual use with surface leasing to ranchers but mining rights to industry bidders. Environmental laws are few, and are being reduced even now. Ultimately, if it is a choice between NG for furnaces in the winter and for electricity to power air conditioners in the summer, or pristine lands and ranching, then the ranchers and the environment are bound to lose.

And coal bed methane extraction will be a temporary answer at best. Industry data indicates that, while cheap to produce, coal bed methane production has a very short lifetime. Already, industry officials are signaling the end of production in the San Juan Basin. The industry consensus is that the San Juan Basin is already aging, leading to increased costs to access deeper reserves. BP San Juan Basin Resource Manager Bill Policky is quoted as saying, “We are looking at a 1 to 2 percent decline each year due to the basin’s maturity.... We’re not doing a lot of exploration in the San Juan Basin. Costs are going up.”

Richard Fraley, vice-president of Burlington Resources’ San Juan Division, agrees, “We’ve likely seen the last years of significant growth.” Both men, along with Phillips Petroleum Area Manager Danny Jaap, agreed that exploration for deeper gas was cost prohibitive. It would be more profitable for them to simply move on to the next basin.

This is likely to be the pattern for coal bed methane extraction in the West: force out the locals, pump the cheap gas and then move on -- leaving the mess behind for somebody else to worry about. Meanwhile, homeowners will pay higher heating and electric bills.

**OIL**

In most cases industrial users and power generating stations can use either NG or oil to generate electricity. NG powered electricity generating plants can easily switch to oil products if the price of NG climbs too high. The same is true for most industrial power generation. Normally, this capability would function as a safety mechanism to lower demand and help to hold NG prices down. However, that is simply not the case now, as the market for both fuels is rising. According to Laurie Cramer, spokeswoman for the Natural Gas Supply Association, “We’re probably at the stage where people would be considering switching, but there’s all this oil volatility. So utility companies are having to do some hard thinking about the best fuel mix for their needs.”

Despite rising petroleum prices, there has been an increased demand for residual fuel (basically the dregs and leftovers from the refining process), as some industries and power generating plants seek to escape the rising prices of NG. Residual fuel demand has been at a record low for most of the year, but in December 2002 demand jumped 33.5% from a year ago. Yet the price of oil products is surging upward as well, as any analyst can tell you.

Oil prices have risen more than 30% in two months, and analysts say the rally is far from over. On Thursday, January 16th, crude oil futures for February rose 83 cents to $33.20 per barrel on the New York Mercantile Exchange. This is the highest closing price since November 30th, 2000. Oil prices are rising due to the continuing shortfall in Venezuelan oil exports, and the threat of war with Iraq. If the situation continues to worsen, economist and CBS MarketWatch columnist, Paul Erdman, says we could easily see crude oil jump to $50 per barrel, which would send gasoline prices through the roof. Even as crude prices are rising, the market has not yet reacted by lowering demand. Implied US crude demand in early January rose 8.1% from a year earlier, placing US domestic demand at 14.6 million barrels per day, according to the American Petroleum Institute. According to Paul Horswell, oil analyst at JP Morgan, with US refineries guzzling 15 million barrels of crude every day, there is only four hours of slack in the system. To meet this demand, US oil companies have had to tap their reserves. And this draw down of reserves is beginning to raise alarm throughout the industry.

In the *Weekly Petroleum Status Report* issued January 16th, the Energy Information Agency (EIA) states that crude oil stocks (excluding the Strategic Petroleum Reserve) are down 2.3% from the previous week, at 272.3 million barrels. They are down 13.4% from stocks a year ago—the lowest level they have seen in 27 years. In one week, refineries drained 6.5 million barrels from their crude reserves, bringing them dangerously close to the Lower Operational Inventory Level (LOIL) of 270 million barrels. If the drawdown continues at the same pace (and it would be difficult to turn around this momentum in the space of a single week) the next *Weekly Petroleum Status Report*, due January 23rd, will place crude stocks below the LOIL. The LOIL is the level at which it is expected that refineries will begin having supply disruptions.

Whether or not we see these disruptions at the gas pump and elsewhere will depend in part on how long crude stocks languish below the LOIL. The EIA reports that for the same period gasoline stocks were up by 5.8 million barrels from a week ago, to 215.6 million barrels. Likewise, distillate fuel oil inventories were up by 2.6 million barrels from a week before, for a total of 132.3 million barrels. Thus stocks of refined petroleum products give us a little slack should refinery disruptions ensue. According to Lawrence Eagles, a commodity analyst at GNI, if imports halted completely, remaining reserves plus the Strategic Petroleum Reserve (SPR) and stocks of refined petroleum products could keep the US economy going for 77 days.

Despite the low stocks and signs of panic in the industry and on Wall Street, the American Petroleum Institute (API) has advised President Bush not to open up the Strategic Petroleum Reserve. To quote the API’s chief economist, John Felmy: “I don’t see a reason, really, to release the SPR. We can’t declare an emergency at this point.” Mr. Felmy is quoted elsewhere as saying, “The SPR was not designed for price manipulation and we might need it later on.” President Bush has indicated previously that he has no intention of dipping into the SPR. The White House may be planning to keep back supplies until the beginning of War with Iraq, when oil prices are expected to climb much higher. It might be the Bush administration’s intention to curb growing dissent for the war with soaring oil prices.
There has been some minor relief in oil futures on Wall Street with OPEC’s announcement that it has agreed to increase output quotas by 1.5 million barrels per day starting on February 1st. This decision was made in an effort to make up for Venezuelan exports. However, increased production from OPEC won’t reach the United States for two months. This announcement did calm the oil market temporarily, but prices since then have continued to jump, suggesting that traders are losing faith in OPEC’s ability to help.

Traders may have good reason to lose faith in OPEC’s ability to hold down prices. Due to quota violations, all member countries are already pumping at the levels equal to the 1.5 million barrel/day quota increase. And a 1.5 million barrel/day increase will only cover half of Venezuela’s normal daily exports. Aside from Iraq, only Saudi Arabia has the significant capability to boost output. The Saudis could boost production to 10.5 million barrel/day within 90 days; given a significant investment. Beyond that, there are grave worries about the spare capacity of the various OPEC countries.

Many within the oil industry are worried that a war in Iraq on top of the Venezuelan oil lockout will place declining production beyond OPEC’s ability to reign in prices. This could cause the largest oil market shortfall in history, a top analyst at Goldman Sachs has warned. If OPEC cannot cover a dual outage from both Iraq and Venezuela, the Paris-based International Energy Agency (IEA) could order an emergency release. This would include the US SPR. The last time such an order was issued by the IEA was during the 1990-1991 Gulf War.

There are few signs that the oil lockout in Venezuela will be resolved soon. In fact, both sides seem to be digging in and refusing to negotiate. There is even a report from VHeadline.com that President Chavez’s opposition has placed a price of $100 million (US) bounty on his head. There is supposed to be a death list naming the rest of Chavez’s administration and other key supporters. Whether this is a sign of determination or desperation is uncertain. In the Weekly Petroleum Status Report, the EIA states: It appears that while crude oil imports from Venezuela continue to be much lower than normal, they have increased some over the last two weeks. Total motor gasoline imports (including both finished gasoline and gasoline blending components) averaged nearly 800,000 barrels per day last week, while distillate fuel imports averaged 400,000 barrels per day last week.

This seems to suggest that Chavez is beginning to wrestle control of the Venezuelan oil industry away from the opposition. However, it should be noted that even if the opposition does cave in, it will be a long and difficult haul to bring the idled production back on line. Venezuela pumps a heavy crude which requires constant rotating. Without rotating, the oil becomes more viscous until it has the consistency of cooling tar. And it can even freeze up entirely. It will require time, expertise and the right equipment to get the wells up and running again. And some of the older wells may have to be abandoned entirely.

Personally, I wish President Chavez and the people of Venezuela luck in their efforts to fight off a coup of the business elite.

Concerning Iraq, Foreign Secretary Jack Straw has stated that oil is a key factor behind the UK’s participation in a US-led war against Iraq. Privately, within the ruling circles of both the UK and the US, government officials are admitting that oil is the main reason for an attack upon Iraq. A report from the Dow Jones Newswire archived on the Schlumberger Ltd. website states quite plainly that opening the country to foreign investment could provide a much needed boost for companies such as Halliburton Co., Schlumberger Ltd., and Baker Hughes Inc.

More importantly, though not noted anywhere in the press, Iraqi oil would help the US retain world hegemony following the peak of global oil production.

Perhaps U.S. and British intentions will become much clearer once the war has begun. If the US and the UK rush a major force in to occupy the oil fields while sending only the required forces to do the job against the Iraqi army and Republican Guard, this would be a clear indication of US and UK priorities. Other journalists have plausibly argued that the plan may be for a quick occupation of the oil fields followed by a long siege of Baghdad. This would give us and UK control over the oil fields and avoid the political fall-out of mounting casualties which usually accrue from urban warfare. The hope would be that Saddam’s people would quickly tire of the siege and his Republican Guard would abandon him without the payments provided by oil profits. However, if the citizens of Baghdad stand firmly together and should the Republican Guard remain loyal to Saddam, their suffering and heroics could turn world opinion adamantly against the U.S. and might even cause the U.S. public to turn on the Bush administration. Should this be the strategy of the Bush administration, then they will want the siege of Baghdad to be as short-lived as possible.

For the US and for the world, current events are beginning to reveal the lie of abundant oil resources. Word of peak oil is beginning to leak out, in spite of the best efforts of pundits on both the right and the left to assure people and deny the truth. The current drawdown of NG and oil stockpiles is symptomatic of the major energy crisis to come, and they should be viewed as a warning sign.

It is good to see that many people are not remaining cowed by the War on Terrorism and the threat of being labeled as unpatriotic. The peace movement is already stronger than the similar movement at the beginning of the Vietnam War, or at the beginning of the first Gulf War, and it continues to grow stronger every day. But even within the peace movement there is resistance to the need for systemic change. Should the movement focus exclusively on the war in Iraq, and should it disband once that crisis has been resolved, then we will have failed once more to tackle the greater problems which lie behind this war, and we will remain unprepared for the global crisis ahead. And this failure will leave an opening for the elite to continue consolidating their power, pursuing military imperialism throughout the world and a repressive police state within the US. The murder of any people in war is a crime against humanity, which must be resisted. But the murder of people through starvation, extreme impoverishment and environmental collapse is no less a crime against humanity. To resist this villainy, we must focus beyond the current war and halt our headlong race towards destruction.
POSTSCRIPT

As mentioned in the second half of this article, the current *Weekly Petroleum Status Report* was issued by the Energy Information Agency (EIA) on January 23rd. Crude imports from Venezuela still amount to a fraction of their normal levels. However, oil refineries seem to be switching strategies in order to avoid dropping their crude oil inventories below the Lower Operational Inventory Level (LOIL). While overall imports of oil have increased, refineries have chosen to decrease refinery inputs and instead dip into existing inventories of motor gasoline and distillate fuel. For this reason, US commercial crude inventories (excluding the Strategic Petroleum Reserve) actually rose by 1.5 million barrels in the past week, for a total stock of 273.8 million barrels. However, this inventory is still down from the same time last year by -13.4%, or 42.5 million barrels. And the total commercial inventory is still dangerously close to the LOIL of 270 million barrels. ([http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/current/bulletin/weekly_inventory_winter_2002_03.txt](http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/current/bulletin/weekly_inventory_winter_2002_03.txt))

This strategy cannot help the situation for long. In fact, it is simply transferring the draw down from crude oil to refined products. Should the situation continue, the draw down of refined products will leave the industry without much slack once crude oil inventories do dip below the LOIL. There is still little hope that Venezuelan imports will return to normal levels anytime soon. Some experts are saying that it will take a year for Venezuelan production to reach normal levels after the conflict between Chavez and the oil elite has been resolved. War with Iraq could well make it impossible for refineries to keep their crude inventories above the LOIL.

Concerning Natural Gas, Raymond James & Associates weekly energy report states that the 4th Quarter production survey shows the 6th consecutive decline in U.S. NG production. U.S. NG output is down 5% from a year ago. The report states that these surveys are known to be conservative. Therefore, the actual decline may be as much as 6% or even 7% from a year ago. In this report, a table of NG production per company shows virtually across the board production declines. The report concludes that, without a significant increase in drilling activity, “…natural gas production will likely continue its rapid deterioration for the foreseeable future.” ([http://170.12.99.3/researchpdf/Ene012103b_0738.pdf](http://170.12.99.3/researchpdf/Ene012103b_0738.pdf))

In a related item that demonstrates how serious the NG decline is, the Industrial Energy Consumers of America (IECA), along with 31 other business organizations, has sent a letter to Congress, key administration officials and state Governors urging them to take action to stem a national energy crisis. The IECA states that rising NG costs are seriously impacting industrial competitiveness and employment. However, the IECA demonstrates a lack of understanding concerning the situation. They are calling for more exploration and the ramping up of production, along with the removal of environmental regulations and other restrictions on NG development. The IECA fails to understand that the United States resource base for NG plateau’d in 1995 and is in fact beginning to fall over the cliff. ([http://hoovnews.hoovers.com/fp.asp?layout=printnews&doc_id=NR2003011211680.2_e6300027e55c8094](http://hoovnews.hoovers.com/fp.asp?layout=printnews&doc_id=NR2003011211680.2_e6300027e55c8094))

--- I must offer many thanks to the folks on the energyresources list. And a special thank you to Lynn Dohner, who provided the bulk of the research used in this article.

ENDNOTES

21. Ibid.
22. Ibid.
24. Ibid.
33. Ibid.
37. Ibid.
40. Op Cit. See note 11.

---

From Our Friends in Calgary, Alberta Canada (29 Jan 2003)

photo credit: Blaine Machan
Impeachment Resolution Against President George W. Bush

by Francis A. Boyle
Professor of Law
University of Illinois

January 17, 2003

108nd Congress H.Res.XX
1st Session
Impeaching George Walker Bush, President of the United States, of high crimes and misdemeanors.

IN THE HOUSE OF REPRESENTATIVES
January __, 2003
Mr./Ms. Y submitted the following resolution; which was referred to the Committee on Judiciary.

A RESOLUTION

Impeaching George Walker Bush, President of the United States, of high crimes and misdemeanors.

Impeaching George Walker Bush, President of the United States, of high crimes and misdemeanors.

Resolved, That George Walker Bush, President of the United States is impeached for high crimes and misdemeanors, and that the following articles of impeachment be exhibited to the Senate:

Articles of impeachment exhibited by the House of Representatives of the United States of America in the name of itself and of all of the people of the United States of America, against George Walker Bush, President of the United States of America, in maintenance and support of its impeachment against him for high crimes and misdemeanors.

ARTICLE I

In the conduct of the office of President of the United States, George Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has attempted to impose a police state and a military dictatorship upon the people and Republic of the United States of America by means of “a long Train of Abuses and Usurpations” against the Constitution since September 11, 2001. This subversive conduct includes but is not limited to trying to suspend the constitutional Writ of Habeas Corpus; ramming the totalitarian U.S.A. Patriot Act through Congress; the mass-round-up and incarceration of foreigners; kangaroo courts; depriving at least two United States citizens of their constitutional rights by means of military incarceration; interference with the constitutional right of defendants in criminal cases to lawyers; violating and subverting the Posse Comitatus Act; unlawful and unreasonable searches and seizures; violating the First Amendments rights of the free exercise of religion, freedom of speech, peaceable assembly, and to petition the government for redress of grievances; packing the federal judiciary with hand-picked judges belonging to the totalitarian Federalist Society and undermining the judicial independence of the Constitution’s Article III federal court system; violating the Third and Fourth Geneva Conventions and the U.S. War Crimes Act; violating the International Covenant on Civil and Political Rights and the International Convention on the Elimination of All Forms of Racial Discrimination; reinstatement of the infamous “Cointelpro” Program; violating the Vienna Convention on Consular Relations, the Convention against Torture, and the Universal Declaration of Human Rights; instituting the totalitarian Total Information Awareness Program; and establishing a totalitarian Northern Military Command for the United States of America itself. In all of this George Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore George Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.
ARTICLE II

In the conduct of the office of President of the United States, George Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has violated the Equal Protection Clause of the Constitution. U.S. soldiers in the Middle East are overwhelmingly poor White, Black, and Latino and their military service is based on the coercion of a system that has denied viable economic opportunities to these classes of citizens. Under the Constitution, all classes of citizens are guaranteed equal protection of the laws, and calling on the poor and minorities to fight a war for oil to preserve the lifestyles of the wealthy power elite of this country is a denial of the rights of these soldiers. In all of this George Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore George Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.

ARTICLE III

In the conduct of the office of President of the United States, George Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has violated the U.S. Constitution, federal law, and the United Nations Charter by bribing, intimidating and threatening others, including the members of the United Nations Security Council, to support belligerent acts against Iraq. In all of this George Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore George Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.

ARTICLE IV

In the conduct of the office of President of the United States, George Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has prepared, planned, and conspired to engage in a massive war and catastrophic aggression against Iraq by employing methods of mass destruction that will result in the killing of hundreds of thousands of civilians, many of whom will be children. This planning includes the threatened use of nuclear weapons, and the use of such indiscriminate weapons and massive killings by aerial bombardment, or otherwise, of civilians, violates the Hague Regulations on land warfare, the rules of customary international law set forth in the Hague Rules of Air Warfare, the Four Geneva Conventions of 1949 and Protocol I thereto, the Nuremberg Charter, Judgment, and Principles, the Genocide Convention, the Universal Declaration of Human Rights, and U.S. Army Field Manual 27-10 (1956). In all of this George Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore George Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.

ARTICLE V

In the conduct of the office of President of the United States, George Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has committed the United States to acts of war without congressional consent and contrary to the United Nations Charter and international law. From September, 2001 through January, 2003, the President embarked on a course of action that systematically eliminated every option for peaceful resolution of the Persian Gulf crisis. Once the President approached Congress for consent to war, tens of thousands of American soldiers’ lives were in jeopardy - rendering any substantive debate by Congress meaningless. The President has not received a Declaration of War by Congress, and in contravention of the written word, the spirit, and the intent of the U.S. Constitution has declared that he will go to war regardless of the views of the American people. In failing to seek and obtain a Declaration of War, George Walker Bush has acted in a manner contrary to his trust as President and...
subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore George Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.

ARTICLE VI

In the conduct of the office of President of the United States, George Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has planned, prepared, and conspired to commit crimes against the peace by leading the United States into aggressive war against Iraq in violation of Article 2(4) of the United Nations Charter, the Nuremberg Charter, Judgment, and Principles, the Kellogg-Brand Pact, U.S. Army Field Manual 27-10 (1956), numerous other international treaties and agreements, and the Constitution of the United States. In all of this George Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore George Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.


---

**Principles of the Nuremberg Tribunal, 1950**

**No. 82**


**Introductory note:** Under General Assembly Resolution 177 (II), paragraph (a), the International Law Commission was directed to “formulate the principles of international law recognized in the Charter of the Nuremberg Tribunal and in the judgment of the Tribunal.” In the course of the consideration of this subject, the question arose as to whether or not the Commission should ascertain to what extent the principles contained in the Charter and judgment constituted principles of international law. The conclusion was that since the Nuremberg Principles had been affirmed by the General Assembly, the task entrusted to the Commission was not to express any appreciation of these principles as principles of international law but merely to formulate them. The text below was adopted by the Commission at its second session. The Report of the Commission also contains commentaries on the principles (see *Yearbook of the International Law Commission*, 1950, Vol. II, pp. 374-378).


**Principle I**

Any person who commits an act which constitutes a crime under international law is responsible therefor and liable to punishment.

**Principle II**

The fact that internal law does not impose a penalty for an act which constitutes a crime under international law does not relieve the person who committed the act from responsibility under international law.

**Principle III**

The fact that a person who committed an act which constitutes a crime under international law acted as Head of State or responsible Government official does not relieve him from responsibility under international law.
Principle IV
The fact that a person acted pursuant to order of his Government or of a superior does not relieve him from responsibility under international law, provided a moral choice was in fact possible to him.

Principle V
Any person charged with a crime under international law has the right to a fair trial on the facts and law.

Principle VI
The crimes hereinafter set out are punishable as crimes under international law:

a. Crimes against peace:
   i. Planning, preparation, initiation or waging of a war of aggression or a war in violation of international treaties, agreements or assurances;
   ii. Participation in a common plan or conspiracy for the accomplishment of any of the acts mentioned under (i).

b. War crimes:
Violations of the laws or customs of war which include, but are not limited to, murder, ill-treatment or deportation to slave-labor or for any other purpose of civilian population of or in occupied territory, murder or illtreatment of prisoners of war, of persons on the seas, killing of hostages, plunder of public or private property, wanton destruction of cities, towns, or villages, or devastation not justified by military necessity.

c. Crimes against humanity:
Murder, extermination, enslavement, deportation and other inhuman acts done against any civilian population, or persecutions on political, racial or religious grounds, when such acts are done or such persecutions are carried on in execution of or in connection with any crime against peace or any war crime.

Principle VII
Complicity in the commission of a crime against peace, a war crime, or a crime against humanity as set forth in Principles VI is a crime under international law.

All it takes is ONE member of Congress to submit these articles of impeachment. Although they may not succeed in a subjugated Congress let the record show that there were those who spoke truth and who said, "NO!"

STOP THE WAR!
IMPEACH BUSH...
Cheney, Rumsfeld & Ashcroft!

http://www.rise4news.net/impeach.html
The Long Dark Night

by Theodore Marcus

So in a year or two or three...

You're at a party. Dressed well, teeth white, freshly pressed, optimistic but nervous. The usual. You're there to see friends, meet new ones, celebrate something, re-connect, re-invigorate, you know, do the thing. A buzzing group meets the eye upon entry, already you see faces you know, faces you've seen, others you haven't. The conversation is mixed, appropriately loud. You've been here before, it's familiar, but it isn't. One of your chummier colleagues is there, with her husband; these are folks with kids your kids' age, going to gym class, the same summer camps, the basics. There's much in common. She says they have a relative they want you to meet; you're for that, new connections, new outlets on life. "Barry, I want you to meet Elle. She's from your alma mater, just graduated magna cum from the law school, just moved up from Atlanta." "Hi, how are you", you say, eager to make this acquaintance. "So you're a Wildcat?" "Yeah, what year'd you finish?" "Oh, too long ago to tell, but we had computers by then (ha ha)." (She chuckles along, she hadn't actually considered that there was a time that computers didn't exist, but that sounds right... right?). As the crevasse of Mount Not Much in Common opens between you, you take one more plunge toward a safe conversational perch: "so, what brings you to the big city?" At this, she perks up (thank heavens, you think, this is warming up), eager to field this inquiry: "I'm starting a fellowship with the government!" "Ah, excellent," you counter, with what agency, the White House, Congress, State?" "No, no, I've got a Ridge Grant -- I'm doing the next two years with Homeland Security's Terrorism Response Analysis Unit, and after that, I'll be a Poindexter Fellow with DARPA for a year." "I'm on track," she continues as you begin to detect the not-so-subtle taste of your own stomach acid warming the lining of your esophagus, "for an AGC-HSD/TIA (Assistant General Counsel-Homeland Security Department/Total Information Awareness -- the joint legal counsel's office for the two agencies) at the end of the 3 year commitment, but I might be able to cut it to two-and-a-half if I decide to take the slot at DARPA's GC's First Amendment Enforcement Branch." "What First Amendment Enforcement Branch?", you stammer. "Yeah, if I decide to go First Level dot 6 Classified, which is a pain when you think of how long the multi-state allegiance and security awareness portion of the exam is, but who cares, right, it's the right thing to do, right?, anyway, if I do the dot 6 and go Justice, I can skip rotation through the Social De-brief Unit at DARPA (it's not as if we didn't get plenty of that first year in Professor Ashcroft's class, I mean) -- and all that squallid "First Impression Privacy and Civil Liberties" docket stuff the Guantanamo crowd keeps bringing to the Supremes' new "comet" docket (*from initial pleading through cert petition in two days, but if cert granted, final judgment within three days -- a new docket, the brain child of Justices Olson and Holder).

"Why?", which is all you can verbalize from the deep, dark well of the nightmare that now engulfs your spirit. "Are you kidding?", she asks, with pure sincerity. "I've been blessed with God-given ability and love from family and friends all my life. I feel like it would be a grave sin if I didn't give something back to the community. When it's all said and done, you know, money can wait. Doing my part is more important than anything I can think of right now while I'm young, eager and ready to work. One day, if God wills it, I'll have kids. What better example for them than a Mommy who's dedicated to public service. No, this isn't so much a sacrifice, as a privilege and an honor. By the way, I'd love to keep in touch. Do you have a card? What's your name again?" She reaches into her transparent "Visi-tek" Louis Vuitton shoulder bag for a pen. Her glance averted, you slip away into the crowd, and out the door, collar turned up to the cold, or to her glance, you're not sure. A taxi ambles forward: "hey, buddy, need a hack?" says the driver, proudly displaying his Operation World Freedom -- Pakistani Division jacket. The cab is immaculate, the on-dash Security recorder clicking your image in the darkness. "No, thanks," you mutter inaudibly, "there's nowhere for me to go." "No problem, sir", he replies, "have a blessed day.

And into the evening you turn.

-- Theodore Marcus is an Atlanta area attorney with prior service with the U.S. government.

---

Page -13-
Jan. 27, 2003, 1900 PST (FTW) - Over the last year *FTW* has received many messages from active duty military personnel not only supporting our work but revealing a good deal of concern in the military about what the United States is becoming. These men are not afraid to fulfill their obligations as warriors but they are afraid of going to war for the wrong reasons and in the wrong way. Recent stories from Capitol Hill Blue have indicated that even members of the Joint Chiefs of Staff are questioning the Bush Administrations policies and actions.

Not only is this a good sign it is a reminder to all that no one group of people anywhere hold universal opinions and that men and women of conscience and character can be found in all places. This is the greatest saving grace of mankind. I am especially grateful to Navy First Class Petty Officer Mike Christmas for giving me permission to reprint his message to us and of bravely allowing us to use his name.

----- Original Message -----  
From: michael christmas  
To: service@copvcia.com  
Sent: Friday, January 24, 2003 3:57 PM  
Subject: Thanks...

I just wanted to take a second or two of your time and thank each and every one of you responsible for such a wonderful website. I accidentally found it one day doing a little bit of research into the Kennedy assassination.

Needless to say, my jaw hit the floor when I began to read your information. And like Mr. Ruppert says, my first inclination was to just laugh a bit and call all of you people nuts. But as I read more I couldn't believe my eyes.

Armed with your information I am able to watch the news and just pick out the lies and the cover ups left and right. MSNBC is very good at it. I ordered the *Building a Better Map* cd and I absolutely love it. I played it for my roommate and he brought it to his work and played it for them. I have also ordered your "Truth and Lies of 911" video, and two books from your site.

I am eagerly awaiting their arrival. I tell almost everyone that I talk to about your site. You see I am in the navy, stationed in Norfolk, and 911 is a constant source of conversation. They too look at me like I’m nuts, but the day after they visit your site they usually eagerly seek me out to talk about it. Many have thanked me, so I in turn want to thank you.

I look at your site 5-6 times a day, and I try to visit most of the links whenever I can. Keep up the good work. Maybe someday the Constitution will actually mean something again.

DC1(SW) Michael P. Christmas  
Norfolk, VA

Follow-up letter:

----- Original Message -----  
From: michael christmas  
Sent: Monday, January 27, 2003 12:12 PM  
To: service@copvcia.com  
Subject: Re: FW: Thanks...

Hello Mr. Ruppert, first let me say that it is an honor to hear from you personally. I never expected that. As I said in my first email thank you for putting out such wonderful information. I just received your “Truth & Lies of Sept 11” video today. As soon as I finish this I am going to pop it in the vcr.

I have been in the Navy for 12 and a half years now. You asked about my rating, the DC1 stands for Damage Controlman First Class Petty Officer (E-6)...basically I am a fireman...but we also deal with chemical, biological, and radiological warfare as well. So as you might expect all the talk about biological warfare gets my attention as of late.
I found it pretty interesting the other day when they showed that footage of the weapons inspector taking off the top of that “chemical” missile they “found” in Iraq the other day. One thing I can tell you is that if you even think that there are chemical weapons around, the last thing that you would do is take the top off the thing and look inside!!! Especially Nerve agent!! That just blew my mind.

I also have a book that I would like to recommend to you. Its called “Free For All” by Wendy Kaminer. Why she doesn’t touch on the inconsistencies of 911, she does have some good things to say about its fallout considering our civil rights. Or I guess what I should say is what’s left of our civil rights, you have my support sir for the work you do. And I will do what I can to spread the word about your site and your work.

You know I remember taking an oath in which I said I would “support and defend the Constitution of the US against all enemies foreign and domestic”.

Now how am I supposed to do that when our own government doesn’t?

Very Respectfully, Mike Xmas.
We have been given a date: February 5th. And while the missiles may not launch on that day, the bombs may not drop, and the tanks may not roll; the Empire has made its position clear. This war is “Good to go”.

The invasion of Iraq will most likely commence with a massive aerial campaign in which the U.N. and many military analysts have predicted widespread collateral damage with heavy civilian casualties. One recent UN estimate suggested that the total Iraqi casualty count for the entire operation could exceed 500,000.

This decision should not be taken as a surprise. In recent weeks support for the obvious U.S. intentions, both worldwide and at home, has been declining rapidly. At the time this story was written, a contemporaneous CNN poll showed that 62% of those responding believed that the United States should not attack Iraq without UN approval. Politically, the Bush administration has seen that this situation is not going to improve. Every delay in an attack to which the administration has already committed not only risks greater military, political and economic opposition but also increases the risk that U.S. ground forces will be engaged in desert fighting in hot summer weather. Recent moves by both the French and Russian governments to approve new trade and development agreements with the Hussein government might also weaken U.S. economic control in a post-Saddam regime.

With crude oil prices at two-year highs and with U.S. oil reserves at 27-year lows the signs of a crumbling U.S. economy made themselves felt again this week with a more than 200 point drop in the Dow Jones Industrial average. The Bush administration has apparently decided to roll the dice now in a go-for-broke imperial conquest that has as its primary objective the immediate control of 11 per cent of the world’s oil reserves.

In many previous stories FTW has documented how the Iraqi invasion is but the first in a series of sequential worldwide military campaigns to which the United States has committed. All of these are based upon globally dwindling oil supplies and the pending economic and human consequences of that reality. On January 21st, CNN Headline News acknowledged, for the first time, the reality of Peak Oil and accurately stated that “all the cheap oil there is has been found.” The story also acknowledged that there was only enough oil left to sustain the planet for thirty to forty years and that what oil remained was going to become increasingly more expensive to produce and deliver.

It is likely that the resiliency of Venezuelan President Hugo Chavez, in his effort to resist U.S.-inspired strikes by wealthy Venezuelan industrialists, has had an impact on this decision by the Bush administration. Venezuela, which is the third largest foreign importer of oil to the U.S., has seen its U.S. deliveries cut to a fraction of normal levels in recent weeks. Within the last week oil analysts have been predicting shortages and price spikes similar to those of 1973-4 if U.S. oil stocks were not replenished quickly. The administration’s apparent decision to launch the attacks against Iraq appears to be at least a partial acknowledgement that Chavez is successfully resisting U.S. pressure to oust him.

Chavez angered multinational investors and financiers recently by moving to increase the share of oil profits retained in Venezuela for the benefit of its people. Today’s announcements signal that the world is entering a period of danger not seen for forty years. That the announcements from the Japanese government and the State Department came on the same day that the Department of Homeland Security became active and its Secretary Tom Ridge was sworn in seems an unlikely coincidence. Previous reporting from FTW had indicated that even massive protests and non-violent global resistance would prove ineffective in preventing an Iraqi invasion. And our predictions that the Bush junta had prepared for all the worst-case scenarios, including domestic unrest and worldwide opposition appear to be vindicated.

The administration has clearly issued a statement to the world. “Screw you. We’re going to play this game any way you want to play it. And we’re ready for anything that comes.”

No one seemed to notice a story that came out on January 25th revealing that the U.S. Pension Benefit Guaranty Corporation was out of money. This is the institution, like the FDIC, which provides a safety blanket for tens of millions of Americans who have labored all of their lives and paid into pension funds that are now bankrupt as a result of looting and corporate fraud. Two years ago the fund had $22 billion. Thus the next round of mass layoffs from bankrupt corporations will see no safety net for the violated. They will hit the ground hard. Nonetheless President Bush found $6 billion for “Project Bioshield” to give handouts to pharmaceutical companies and to stockpile vaccines against the plague, ebola and botulism. These vaccines may kill or injure you and they won’t even have to be tested for efficacy before you are forced to take them. And those who made them have already been shielded from lawsuits by the Homeland Security Act.

An acquaintance of mine whose father had served in Hitler’s Abwehr intelligence service once told me of a statement made by his father with whom he had long since broken relations. His father told him, “The Third Reich didn’t lose the Second World War, it just changed venues.”

He was right.

[Signature] Michael Rupple