

# *Chevron: the Right Hand of the Empire*

**URGENT INFORMATION ON CHEVRONTEXACO**

**Oilwatch, 2006**

## **DEDICATION**

To the victims of capitalism and of the horror of the civilization created by oil

To those who struggle day by day to survive, and by doing so exemplify bravery

To those who do not accept falling into pragmatism, because they recognize that as a betrayal

To those who do not accept realism, because it is reality that needs to be changed

To those accused of being bandits, rowdy, troublemakers, rebels

To those who support these struggles and do not have a heart of stone

To the, ironically called, minorities: the indigenous people, women, children, and the elderly

To the particular way communities struggle in joy, think with loving kindness and work passionately

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*TOXIC WASTE CONTAMINATION WITHOUT A LEGAL PROCESS*

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**CHARITY TO CREATE LOCAL DEPENDENCY**

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*THE MOST UNDESIRABLE OLD MAN*

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**Introduction**

In January 2001, five conservation non-governmental organizations (NGOs) and four oil companies subscribed to what they termed “Biodiversity and Energy Initiative” (EBI), to produce guides, instruments and models with the purpose of integrating the

biodiversity component to the gas and oil extraction activities. The ten original members of this initiative were BP, ChevronTexaco, Enron, Shell, and Statoil for the industry and Conservation International (CI), Fauna & Flora International, IUCN-The World Conservation Union, Smithsonian Institution and The Nature Conservancy for the environmental organizations. Later Enron left this initiative.

As a part of this initiative, the document “Integrating Biodiversity Conservation to the Oil and Gas Development” (EBI, 2003), in which they affirmed that it was not only possible to reconcile oil activity with conservation but also possible that oil companies could help improve the conservation of biological diversity.

ChevronTexaco as well as the other oil companies with this initiative try to build an image of being socially and environmentally responsible. Nevertheless, everyone internationally knows their history and current operations as environmentally disastrous and socially violent, even the companies are aware of this fact.

For that reason at the ChevronTexaco shareholders meeting, held in April 2005, a resolution was taken, which tried to cover with a veil the collective memory by eliminating the word “Texaco” from the consortiums’ name. The image of the star, cultivated and promoted over 100 years, had become so marred it was better to black it out entirely. That is why today the company wishes to be called Chevron. Under this emblem, Texaco’s, Unocal’s, and Chevron’s environmental impacts are concealed.

In this book, we will examine some of the most well known environmental disasters and human rights violations drawn from far-flung countries like Nigeria, Angola, Indonesia, Burma, Ecuador, and Colombia.

### ***What is ChevronTexaco?***

ChevronTexaco is one of the most powerful but evil oil companies in the world, who accumulated power based on military strategy, monopoly, and interventionism.

ChevronTexaco inherited both a culture of monopoly, total control, and conspiracy, which marked Chevron’s history, and the anxiety for planetary expansion through the hydrocarbon product lines, which are Texaco’s trademark.

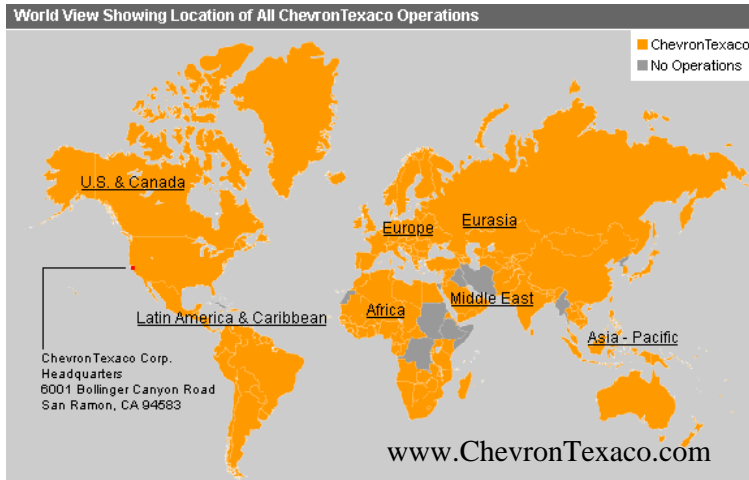
This company bases its power on the reserves it owns, which is equivalent to about 11 billion barrels of oil and gas. However, who are the real owners of these reserves Companies claim as theirs? States own reserves and based on this “collateral” make banks, governments, multilateral institutions, and service provider companies work for them.

Chevron Texaco extracts the equivalent of 2.7 million barrels of oil and gas per day. Just in the first semester of 2005, it made 2.7 billion dollars (2.1 billion euros), 4.5% more than the year before (Expansion 2005).

Their footprints on the planet go beyond the profit they generate. They sit on thousands of hectares (or acres) onshore and offshore places where they have destroyed nature. In order to extract that oil and gas, ChevronTexaco would have thrown up to 5 million tons

of different types of waste materials and 1.2 million tons of CO<sub>2</sub> a day into the environment.

ChevronTexaco has operations in 180 of the existing 200 countries. Their geopolitical strategy is very expansive, especially with their oil sales and fuel distribution.



This company is proficient in penetrating the global market, and taking control of the economies of the many countries where they operate. Above all, ChevronTexaco aims to take control of the United States government- a country whose energy policy and therefore security policy aid the company.

The company's "success" is rooted in their capacity to forge alliances, use pressure, extort and finally sell their image. Nevertheless, their word is valueless and tactless. For instance, the company insults the truth in each document they issue as can be seen in this affirmation published on its webpage:

*"...to conduct business in a socially responsible and ethical manner...to support universal human rights...to protect the environment, to benefit the communities where we work... learn from and respect the cultures where we work." (ChevronTexaco, 2005).*

ChevronTexaco tries to get rid of or to weaken reports they perceive as being against them. They talk about benefits given to communities and governments by the creation of jobs. Nevertheless, none of the benefits they claim to offer to the governments is ever accomplished. The company's legal trouble due to tax evasion and employment cannot be measured against the peoples' livelihoods they have destroyed, because they destroyed their survival base. It is little wonder why the countries where the company extract crude oil are those countries with the lowest indexes of human development.

The company does not only avoid taking responsibility for their actions but also manages a simple 'solution' to confront the demands of the local societies where they operate. When they are negotiating permits and trying to eliminate resistances, they offer everything States do not provide to their citizens, but when the people complain because of the failure to deliver those offers, and the environmental damage provoked by their operations, due to destruction of property and human rights violations, the company turns around and blames the State. It is a win-win situation for ChevronTexaco.

For the local communities, the company's presence is characterised by abuse and destruction. Nigeria and Ecuador are clear examples of this; although in public, they

claim they bring benefits to the people by displaying several projects, which are presented as a charitable image of the company.

ChevronTexaco maintain they invested 50 million dollars worldwide in social development programs. These investments are often directed to countries such as Mexico, Venezuela and Kazajstan where the company is trying to consolidate their presence. Their first step is the start up of a privatization process of the oil industry. It is not difficult to realize that this is not a social investment project policy, but rather one of rupture of national policies. Otherwise, they would have stopped doing these investments and would have limited themselves to pay the taxes they are trying to evade in Venezuela.

To get to know the value of their word the company claim they have ethical and responsible management. In the “ChevronTexaco” philosophy, they say:

*We conduct business in a socially responsible and ethical manner. Promote equal opportunity for our employees at all levels of the company with respect to issues such as color, race, gender, age, ethnicity or religious beliefs... We promote tolerance, respect to the individual and a work environment where everybody participates (ChevronTexaco, 2005).*

These claims nonetheless, they had to face several racial and gender discrimination lawsuits. The corporation also states they maintain an operation that offers health, security and environmental protection:

*We place the highest priority on the health and safety of our workforce and protection of our assets and the environment... We operate under the same high standards in relation to the environment and security in all the countries where we do business. (ChevronTexaco, 2005).*

Contrary to the above claim, their operations in Nigeria, Colombia, Ecuador, and Angola are well known worldwide due to environmental complaints and human rights violations. In several countries, the company faces lawsuits because of such recklessness.

Another claim of ChevronTexaco:

*We will not offer, nor pay, or accept bribes. We are a world leader who back up words with actions, (ChevronTexaco, 2005)*

The truth is that they storm into countries, blackmail, exert pressure, and order killings, as we will see in the following pages.

This is the way the ChevronTexaco builds its corporate image- with cynical affirmation and lies punctuated in the company’s publications. They say exactly the opposite of what happens in reality. Probably the idea that propels them is the philosophy that the more they repeat those lies, the more confused the people become.

As a result, this new strategy of coming into the world of conservation was launched, reaching strategic alliances with NGOs, whom because of ignorance, naivety or

economic interest, are accomplices of this new deceit. This new approach offers the company the smokescreen over the already produced impacts and at the same time gives them access to new resources and influences at a higher global level.

Thanks to this tactics, the company is already among the new United Nations' associates and a self-proclaimed sustainable development and conservation promoter. This opens for them doors for the defining of national policies, for the use of resources meant for conservation purposes, and for exerting control over local space.

Besides the 'social assistance' programs, ChevronTexaco has a local influence strategy which incorporates support programs for conservation NGOs. For the conservation NGOs, this is an opportunity to go from marginal conservation programs in protected areas, to the control of ample territorial areas (many of them paid for). These are often areas that contain water, biodiversity and mineral resources, key materials for the industry of the North and, essentially, for the United States.

With this merger, Chevron and Texaco achieved a leading position among the biggest and most powerful companies. Today they have vast economic, political, and even military resources and have big influence over the United States Administration. This influence has become a key for control, not only of the oil reserves but also of the geopolitical space especially in tropical countries.

In this book, we will analyze ChevronTexaco's history, their corporate policies, and their environmental record particularly in Nigeria, Ecuador, and Indonesia, and their corporate strategies in order to understand the meaning of their corporate social responsibility as well as the commitment claimed by this company to conserve biodiversity and promote respect for human rights.

## **ChevronTexaco's origin**

For a very long time, oil has played a big role in the History of Humanity. Their first signs appeared in 3000 B.C. In the Middle East, China, and India there are records not only of the use of oil as lubricant and fuel, but also in the networks of commerce (Meyerhoff, 1980).

Nevertheless its in the 20th century that oil acquired the power dimensions that are attached to it as well as the economic, political, and military dependency to this oil resource. This is also ChevronTexaco's history where the most important events of those networks of power and dependency are woven.

In the near future when historians research the 20th century history, they will never cease to be amazed over the violent way the entire economy, the politics, and the culture of this period were so suddenly and intimately stained with oil. The period of definitive and irreversible reign of oil just happened after the Second World War, when the main world economies changed their energy consumption from carbon to oil. It is a well known fact that the planet's oil reserves are depleted in a fast and irreversible manner, and should give way to the consumption of gas, carbon, and other alternative and conventional sources of energy. Nevertheless, it seems like the irrational reign of oil will stay still during several more decades, in spite of the major environmental catastrophe the entire world is suffering due to climate change. (Barreda, 2004)



To understand ChevronTexaco's power we have to search its history throughout the century, in this way we will be able to see how this company was never marginal, from very early on, it used a geopolitical and a business strategy of accumulation.

Both the history of Chevron and Texaco run parallel to many countries' histories. Intrigues, buying of information, blackmailing, and corruption, allowed, on the one hand the growth of these companies, which after several alliances became just one and on the other, this process has also moulded the history and current problems of the countries in which they operate.

The destinies of these companies lead to sporadic meetings and strategic alliances. During the 1930's their destinies converged in the creation of Caltex as well as their proposals to the Kingdom of Saudi Arabia, which in 1939 helped Saudi Arabia break through into the oil world market. With this, the United States managed to break the British hegemonic control over Middle Eastern oil.

## **Biography of the companies that make up "Chevron"**

### **The History of Chevron**

The origins of Chevron are traced to that of the Standard Oil company that came into being at the end of the 19<sup>th</sup> century. The Standard Oil was a company and a corporate trust, which from 1870 to 1911 was the industrial empire of John D. Rockefeller and associates, controlling almost all oil production, processing, marketing, and transportation in the United States.

Rockefeller entered into the oil world with a small refinery in Cleveland, Ohio founded in 1863. A few years later after understanding what the business was all about, he founded the Standard Oil Company from Ohio in 1870, and only a year later he started to place in motion his strategy to create a monopoly within this business area.

The alliance with the railways allowed him to obtain favourable transportation conditions. He founded the company known as South Improvement Company, of which, Standard Oil was the main shareholder as a way to cover-up the advantages he had in the transportation of fuel. The control over the transportation was a key element, which enabled him to leave behind any competitor, especially when competitors suffered continual rises in transportation costs.

As the company continued to grow rapidly with these cheating methods, the reaction of other companies was to confront the business tycoon with a campaign for conspiracy, taking the case to the legal tribunals from Pennsylvania to Washington. This lawsuit demonstrated that the South Improvement Company was a center of conspiracies at a level never seen before.

In the middle of this war of influences, John D. Rockefeller, proposed a refiners alliance, and became the President of the National Refiners Association. Rockefeller was the key piece for the refiners since he controlled the distillation of waste from which the raw material for refining was obtained. The organized refiners, imposed themselves on the oil producers, which meant that it was ultimately them who defined

the price of derivatives, in such a way that they do not only decide the refining costs but also the transportation costs.

Faced with this, the organized producers formed the Petroleum Producer's Agency that chose to regulate prices by reducing the production. The response of Standard Oil was to announce that it would not buy crude oil from the Agency, which made the producers to give up, because many of them were already in debt, or were simply taken by surprise. With this move, Standard Oil ended up busting the first producer alliance.

By 1875, Rockefeller dominated 80% of the United States crude oil market and Standard launched a campaign throughout the national territory associating itself with large refineries and buying the small ones at ridiculous prices. Shortly after Rockefeller directing himself at the refiners said:

*“Three years ago I took over the Cleveland refineries. I have managed them so that today I pay a profit to nobody. I do my own buying I make my own acid and barrels, I control the New York terminals of both the Erie and Central roads, and ship such quantities that the railroads give me better rates than they do any other shipper. In 1873 I shipped over 700'000 barrels by the Central, and my profit on my capitalization, \$ 2'500'000, was over \$ 1'000'000. This was the result of combination in one city. ... Let us become the nucleus of private company which gradually shall acquire control of all refineries everywhere, become the only shippers, and consequently the master of the railroads in the matter of freight rates”. (Micheloud, 2005).*

John D. Rockefeller was accused of conspiracy for monopoly profits in the buying and selling of crude oil and for preventing others from carrying out the same business profitably. Though he was found guilty in 1879, Rockefeller arranged an out of court settlement. As a result, his business was in fact strengthened; moreover, he expanded his interests to the joint management of oil pipelines with Tidewater Company.

Gradually he gained control over oil extraction and once he controlled the entire oil production process, from extraction to distribution, he owned more than 40 companies and created the Standard Oil Trust with headquarters in New York City in 1881.

As the Standard Oil grew, so grew the fear of its power. This company managed to control 90% of the US oil market. Many people began to believe that soon he will be the owner of the country and pressure grew to such a point that in 1888 an investigation was launched in the senate to verify if the success was due to its privileges, contacts, influences, and preferential treatment in railway transportation. It was in relation to this case that in 1890 the US Congress elaborated an antimonopoly law, the Sherman Antitrust Act., which prohibited any contract, scheme, conspiracy and commercial restrictions...

Because of this Senate's decision, the Standard Oil reorganized itself, this time as a holding, called Standard Oil Company of New Jersey, which coordinated 70 companies and 23 refineries, controlling 84% of the total refining capacity of crude oil.

However, by 1911 the Supreme Court found that this company had committed violations to the antimonopoly law and decreed the dismantling of Standard Oil Company of New Jersey.

From the dismantling, several companies sprang up which would be known as the “seven sisters”, among them Standard Oil of California (SOCAL), which was later known as Chevron.

With the division and new discoveries of crude oil, the companies grew. Standard Oil whose operations had been concentrated within the United States, launched itself across its borders, in some cases in alliances and in others as competitors, they quickly incorporated themselves into the oil world market.

Given the fact that they started to have important geopolitical interests and because of the continuous skirmishes between companies, in 1928 in Achnacarry, England, the president of Royal Dutch Shell organized a hunting expedition with the presidents of the British Petroleum with the only objective of dividing among themselves, the world’s sovereignty. Galarza (1981) describes this situation as follows:

*The conformation of the great Petroleum International Cartel, which led to a type of monopoly of monopolies, was as a result of Achnacarry’s agreement (which later included Gulf, Texaco, Socony and Standard Oil California). The agreed points were mainly related to maintaining prices at a global scale, the division of areas of influence, measures to avoid super-production and to fight nationalizations wherever they took place (The Soviet Revolution had just expropriated to these companies).*

After this International Cartel was created, then began talks about the “seven dinosaurs”. Practically all the points were respected, but fights among companies became dominant. Shell and Standard provoked the war between Ecuador and Peru, as well as the one between Bolivia and Paraguay and later the wars in Algeria, Indonesia, Nigeria, Vietnam, the Gulf wars and others.

The real jump for SOCAL in the oil world market was precisely its alliance with Texaco over the management of the Bahrain concessions on the island of Bahrain in the Persian Gulf, alliance that gave birth in 1944 to the Arabian-US company Arabian American Oil Company (ARAMCO).

*“An old protectorate of Cullinan, arriving at the Texaco address, Torkild Rieber, joins its forces with SOCAL. This company had just entered the Arabic kingdom at the detriment of the French and British companies and other North American companies which were limited by an agreement to limit their expansion. In this way the US-Arabic company that would adopt the name of ARAMCO was born in 1944 and to which would later (in 1948) integrate Exxon and Mobil due to the vastness of the oil finds”. (Lepic, 2005)*

The formation of ARAMCO-Arabian American Oil Company, from the expansion of the CALTEX-SOCAL consortium, had the following constitution: SOCAL 30%, Texaco 30%, Standard Oil Company of New Jersey (later ESSO and finally EXXON) 30% and Mobil Oil 10% (Galp 2005).

By 1960, OPEC (Organization of Petroleum Exporting Countries) was formed. Originally, it was formed by five countries; Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. Soon after, it incorporated other countries such as Qatar (1961), Indonesia

and Libya (1962), Algeria and Abu Dhabi - later transferred to the United Arab Emirates - (1967), Nigeria (1971), Ecuador which abandoned it in (1992) ,Gabon, which left OPEC in 1996, United Emirates (Abu Dhabi, Ras al Khaymah and Dubai Sharjah) (1974). These represented close to 85% of the world exports of crude oil.

This formation shook the private companies, which up to this point had controlled the market, the prices, and the reserves

During the 1970's Standard Oil of California (SOCAL) became Standard (1970) and in 1977 changed its name to Chevron. In 1984, the company bought Gulf Oil.

By 2001 the alliance between Chevron and Texaco was announced, Chevron the company that would operate in the United States and Canada and Texaco would operate in Latin America, Europe, and Western Africa. Caltex would manage the Australian market, East Africa, and the Pacific.

In 2005, the company announced that it would change its name to just Chevron.

### **The History of Texaco**

Joseph Cullinan was the son of an immigrant who fled from the great 1848 Irish famine. He arrived in Texas in 1901, at the same time when oil was discovered in Beaumont, so he decided to start up a business. This business was the Texas Fuel Company, a small company that associates itself with Arnold Schlaet a renowned leather merchant of the time. Joseph Cullinan by then had already worked for 20 years for Standard Oil.

His first business was to sell oil to the same Standard Oil on the East Coast of the United States. He also sold crude oil to the sugar cane producers in the south, for their production machines.

In 1902 the Texas Fuel Company of Beaumont, was a weak company in search of capital. In 1903 on the verge of bankruptcy, one of the wells drilled in Sour Lake (Lago Agrio) in Texas, produced oil and the company recovered. This discovery was related to a transaction that many considered an association between mafias. Texas Fuel bought the concession from a union directed by a previous Texan governor, who had in turn received it at a very low price from James Gulfey, director of Gulf.

At Texaco's headquarters, the Petroleum Building, the flag of the skull and cross bone was flown as a "sign of warning against privilege and oppression" (Sampson, 1976). This company entered the market and in its first years reached such a growth that it produced 5% of all the oil in the US. Texaco finally was established in Houston, the oil capital, where its headquarters are still based in a 13-floor building decorated with the Texas star.

As the company grew, internal conflicts and tensions also grew to the point at which the founders broke relations in 1913 and Elgood Lufkin, a man from the east side of the country, graduated at the Massachusetts Institute of Technology, assumed the leadership of the company

By 1911, Texaco opened its first service station in New York, having consolidated itself in the distribution business. Gradually, it consolidated its position in the oil derivatives market. This company introduced "Texaco Auto Gasoline" and later "Texaco Motor

Oil" (1912) into the market. The company's main business was the distribution of lubricants and oil refining. In this same line they acquired the Havoline brand, in a 1931 purchase, from the Indian Refining Company, concentrating on placing gasoline and lubricants on the market, including those for military machinery.

Texaco is a company capable of the darkest alliances imaginable. For example, in 1937, it backed Franco's dictatorship in Spain, through the sale of crude oil. It equally backed the Nazis, to whom it sold crude oil, ignoring the blockade imposed by the United States government. In fact, it turned into a key player for bridging contacts between industrialists and Nazis. This scandal was published in the New York Herald Tribune in 1940 (Lepic, 2005) and with that Texaco's prestige fell. Texaco's image deteriorated rapidly in the face of these events and to clean it, it jumped into practicing "charity" converting itself over night into a great missionary, financing the radio phonic transmissions of the Metropolitan Opera, an activity that carries on to this day (Lepic, 2005) .

The alliance with SOCAL was key for Texaco, and the main objective was to have access and create a distribution network of its products in the Middle East. However from this alliance rose a new interest in the exploration and exportation of oil.

Texaco entered into other alliances with Shell Oil Company and Aramco, which changed its name to Saudi Aramco and also formed Motiva Enterprises LLC (with Saudi Aramco) and Equilon Enterprises LLC (with Shell) with the objective of controlling the US market.

The Texas Company officially changed its name to Texaco Inc. in 1959 and though it continued in the line of lubricants and gasoline, it opened up new exploration and exploitation activities outside the USA.

Texaco acquired Getty Oil Company in 1984 and in 1988 created Star Enterprise because of an alliance with Aramco thus becoming a company for the refining and distribution of derivatives.

Texaco completed its alliance with Chevron in 2001 fusing as one and becoming the second largest oil company in the US and the fifth in the world.

### **The History of Caltex**

Caltex appeared at a key moment for both Chevron and Texaco. There are many stories about how Texaco and Chevron joined in a single company, acquiring both 50% of the new company shares, the California Texas Oil Company Limited, which later was identified as Caltex. There are mentions of meetings between Rieber, a Texaco director, and the president of Chevron Kenneth Kingsbury, but the fact is that Caltex appeared in Singapore, at a time when both companies faced problems.

Chevron had to reduce its production in Bahrain from 13,000 to just 2,500 barrels per day, since it only sold crude oil to the European refineries without a technology capable of processing oil from Bahrain with high sulphur content. The agreements it had with other companies were temporary and it required something more stable.

Texaco had its own share of problems. It had an extensive commercialization network in Africa and Asia but it did not have its own crude oil in that hemisphere, which would have been necessary for the system to function at full profitability. As a result, it was importing its supplies from the United States. It was clear that joining SOCAL's low costs production in the Middle East with Texaco's distribution system, would be very good business for both. (Yergin 1992)

In 1936, Chevron and Texaco acquired half of the Bahrain Petroleum Company's participation. This alliance gave rise to CALTEX, through which they opened up the market and operations in South Africa, the South of Asia, Australia, and the Far East.

In 1979, Caltex became the partner of the Singapore Refining Company Pte Ltd (SRC), with this Caltex kick started a race that allowed its expansion throughout the Asian Pacific, Middle Eastern and African countries. Currently Caltex operates in 60 countries.

The company attained concessions in Saudi Arabia, Sumatra, and Java where gigantic reserves were discovered. From this point on a relationship emerged between the Arabian American Oil Company (ARAMCO) and Caltex Pacific Indonesia.

During the decade of the 1930's up until before World War II, the United States and the British launched a feverish conquest, especially of the Middle East, to ensure for themselves the greatest world oil reserves (Exordio, 2005).

During the 1940's SOCAL and TEXACO were known as the "terrible twins". In those years large reserves were found in Saudi Arabia, so they launched a lobbying campaign directed to the US Government so that crude oil will not be shared with other countries, especially England.

### **The History of Unocal**

ChevronTexaco bought UNOCAL. The sale became effective at the shareholders meeting that took place in April 2005. This in some way represents a second wave of mergers after the one that happened during the 90's. After this merger, its crude oil reserves increased by around 15%.

The Union Oil Company of California was founded in 1890 in Santa Paula, with a strong chemical component and in the first years was dedicated to fuel distribution. Then the Union Oil merged with The Pure Oil Company of Illinois. During the 1930's the company continued to expand, making its first discoveries in Alaska, Australia, and the Mexican Gulf.

Union Oil became the main gas producer in the Gulf of Mexico. Besides that, it discovered a big offshore site in Indonesia and made a first discovery in the Gulf of Thailand.

By 1983, Union Oil Company of California was recognized as a part of a new holding called Unocal Corporation, with headquarters in El Segundo, California.

By the 1990's the company had already acquired presence in other countries such as Brazil, Gabon, and Bangladesh. Unocal Corporation became the ninth gas and oil producer in the US, with activities in Thailand, Indonesia Burma, Bangladesh, Holland, Azerbaijan, Congo, and Brazil as well as in the Gulf of Mexico.

However, the company's key moments are in its recent history, particularly in Burma and Afghanistan. The relationship with Afghanistan started when important gas reserves were discovered in the Caspian Basin. There, a dispute came up over the control of these reserves and especially around the construction of a gas pipeline to transport gas from the Republics of Azerbaijan, Uzbekistan, Turkmenistan, and Kazajstan towards the West.

Several countries entered the dispute over the transportation of the Caspian hydrocarbons, including Russia, who up to this point had controlled the transport via Chechnya. There were also various European countries involved in the construction of the Baku-Tbilisi-Ceyhan gas pipeline operated by BP (England), in consortium with SOCAR, Azerbaijan, UNOCAL, USA, Conoco Phillips, Statoil (Norway), TPAO (Turkey), ENI (Italy), TOTAL FINA ELF(France), ITOCHU and INPEX (Japan) and Delta Hess, (of the United States and Saudi Arabia).

In February 1998, John J. Maresca, Vice President, International Relations, Unocal Corporation, appeared in front of the House Committee on International Relations/Subcommittee on Asia and the Pacific to report that in Central Asia there are giant reserves that could reach more than 236 trillion cubic feet of gas and 60 to 200 billion barrels of oil. He reported that in 1995 this region produced only 875 thousand barrels a day; and by 2010 when calculated, could produce 4.5 million (which implies a growth of more than 500%, equivalent to 5% of the world's production). The key problem then will be how to transport the energy resources to markets that need them (Herrera, 2005).

UNOCAL fought to close contract with the Taliban, the group that most likely was going to be the winner of the Afghan civil war, since this country, without a doubt, will be the country through which the pipeline would cross to connect the Caspian Sea with Pakistan and from there to the Indian Ocean.

The United States Government through the State Department, decided to give diplomatic shelter to Unocal's project, and for that, backed the already questioned Islamic Taliban movement. When the Taliban conquered Kabul in 1996, a UNOCAL spokesperson stated that "Now it will be easier to build the gas pipeline to connect the Caspian Sea to Pakistan" (Lopez 2005). The later withdrawing of support for the Taliban was because they ultimately decided not to do business with UNOCAL; instead of them, the Taliban chose to do it with an Argentinean company.

Besides, there were accusations made against UNOCAL in Burma where the company was taken to court in 1996. They were accused of murder, torture, abuse, extortion, and forced labour during the construction of the gas pipeline from the Yadana field to Thailand. They were accused of backing the dictatorial Burma government, which for many years kept the elected president under house arrest.

UNOCAL also has a terrible record for its frequent oil spills in the areas where it operates, particularly in Kalimantan, Indonesia where also there are accusations of human rights violations in relation to its operations (Environmental Defense, 2005).

In Alaska it has been responsible for 76% of the reported spills. Likewise, in the Bay of San Francisco it was responsible for the largest oil spill in history from an oil refinery.

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## **From the sky they were seen coming down: ChevronTexaco's History in Ecuador**

By Adolfo Maldonado (Acción Ecológica – Ecuador)

### *Texaco's arrival at the Ecuadorian Amazonia<sup>11</sup>*

“We are a people who by the mere mention of our name command a silence, because admiration alerts the senses just as fear does. And to us, both fear and admiration, walk together,” Who says this? Gero (corkwood tree), a Huaorani woman with a deep gaze who has corkwood plugs in her earlobes and identifies herself to be as strong as a tree and so resilient she would not fall like a leaf.

We live well, because we maintain and take care of the life of the jungle. If we cut a tree it is as if a Huaorani had died. Our spirit takes care of the forest, which is our home. In our territory, we have many things: fish, birds, flowers, feathers. The feathers we keep in our crowns are like leaves, but they cannot be broken. We do not want our jungle to break down and we do not want the things we have in the jungle to be destroyed (Huamuñí and Enomenga 1992).

<sup>1</sup> The narrator for this section is a fictional character that is used as a guide for the issues here related.



We the Huaorani are people who have lived in the Ecuadorian Amazon since the beginning of time. We cannot say since when, but since the world was born; we have grown up together (Huamuñi and Enomenga 1992).

We first made contact with the western world in 1958 through the evangelical missionaries of the Summer Language Institute (ILV). This contact caused us rapid social and cultural changes, but we did not see then what everybody now knows, that the oil and missionaries worked together for the benefit of Texaco.

Until the 50s, we still felt like the owners and masters of our traditional territories. We were a free people. We lived in small family groups and although we were all connected through kinship, we preferred the isolation, so that the natural resources (hunting, fishing, and fruits picking) allowed us to be self sufficient without any problem, combined with our itinerant horticultural practices. Even now, despite our territorial limitations, we do whatever is possible to maintain various crops at different moments of production, so that we never lack food; we change residence according to the way crops are maturing as well as to the possibilities for hunting and fishing. This agricultural technique and the way we apply it, is neither understood nor recognized by the national society, because they believe that the only valued agriculture is intensive, large scale production for the market, and because of this misunderstanding, we have been called 'nomads' and not just us but all the Amazonian indigenous nationalities. They also said we live in the 'Palaeolithic age' (CONAIE, 1988).

The work of the evangelical mission consisted of clearing the zone for the oil companies to get in, and then the SLI created an indigenous reserve in a corner of the vast territory that had always been Huaorani land.

The American missionaries' strategy was to assign families to live directly with different indigenous peoples. The Boorman family went to life with the Cofan people, The Vickers family went to Secoya territory and the Saenz family to Huaorani territory.

Today about 1500 people make up the Huaorani nationality, they live on a third of what their ancestral territory was and which was reduced to 612.560 hectares "given" by the state in 1990.

- We like to call ourselves *the last tree walkers*," Gero continues mischievously. "And we drive the anthropologists crazy because they do not know to which people we belong, by our language or origin, within the vast diversity of Amazonian peoples and cultures. We are people with scarce fluvial culture, but we have changed our habits to live by the riverbanks because of the severe persecution we suffered during the era of rubber extraction and later on because of oil activities.

- We are a people of great mobility; we did not only walk on trees, but also on the entire mountain. We were not sedentary until forced by the missionaries from the US to live on an Indian "reservation" in Tihueno, as they did in the United States in the 19<sup>th</sup> century to the indigenous people who bothered them. This divided us, and people like the Tagaeri and the Taromenane became our mortal enemies only because of their free will. Though, a group of Huaoranis, which have had a long tradition of relations with oil companies, lumbermen and tour operator business, in May 2003 began a search for groups without contact and killed a group of 25-30 people including men, women, and

children. The jungle has become a tourist site and not our home, and apparently, there are deep oil deposits that awaken greed (Rivas 2003).

‘Apart from gunning down the indigenous people, the most effective way of killing us is by removing us from our piece of land. Once separated, either we will die inside our bodies, or our minds and spirits will be altered in such a way that we will end up imitating foreign manners and we will build a foreign jail for our indigenous spirits, which will suffocate instead of being nourished in the way it is done by our traditional territories of the Earth. With time, we will lose our identity and we will end up dead, or crippled while suffering in the name of ‘assimilation into another society’ (Huaorani Testimony at the World Council of indigenous Peoples, 1985).

The document that “gave” the land to the Huaorani stated that the subsoil would be administrated by the State: “the awardees could not impede or obstruct the works of exploration and/or mining and hydrocarbon exploitation that the national Government and/or any natural or juridical person legally authorized, executes”.

In our home are our grandparents’ bones, we do not want the company to come and destroy them. We are part of the land, the subsoil, and even the air. Everything is our home. The wind is like our breath. Our body is our home... If a tractor comes, it is destroying the earth and is destroying our skin. It hurts the earth as it hurts our body. (Huamuñi and Enomenga)

The pressure from the oil companies has been such that even the Constitutional Tribunal (TC) in 1992, in the face of a lawsuit due to the incursion of oil companies in protected areas, changed a sentence. It originally stated, “*Avoid in the future to make concessions for oil exploitation inside Parks and Natural Reserved Areas or equivalents, because they will hurt the aforementioned constitutional resolution,*” They replaced that provision with another one, which negates the previous and proclaims, “*Take necessary measures to protect nature and strengthen protection measures for the control of the ecosystems and the environment in the oil exploration and exploitation activities*”. One of the lawyers told us that a TC member declared that the true motive for the change was that international oil companies threatened the government of Ecuador with withdrawing their capital if the sentence was not changed, and the government got frightened.

We all live from water. If the company comes, they should care more about water than oil. You have to respect water more than oil. We keep the spear and the eagle as symbols of our history. The company is killing the eagle. The government should take care of all its territory as it takes care of its gardens. (Huamuñi y Enomenga).

We are a small nation, our law is powerless before the government, but we have the right to defend our life and reclaim our rights. We want every project in our territory to stop. We want to live well, and we want everybody to live well too. If you need cars, why don’t you use solar energy instead of gasoline? (Huamuñi y Enomenga)

We want to respect others. We do not go to the houses of the powerful to break their windows; in the same way, we want them to respect our house. We do not go and throw garbage in their houses, but they have come to our territory and have contaminated our

rivers. People have gotten sick and even a family has died due to oil contamination. (Huamuñi and Enomenga)

Here we brought a lawsuit, through the indigenous organizations CONFENIAE and ONAHE, at the Inter-American Court of Human Rights (CIDH) at the Organization of American States (OAS) in which we accused the Government of Ecuador and the oil companies of violating the human rights of the Huaorani people, by authorizing and carrying out oil exploitation in their territory. The judgement condemned the government.

What is the scientists' statement that in the Yasuni was the Pleistocene Napo Refuge, a zone of survival, even during the last ice age and that this is the reason why life in this region is so diverse? Scientists declare that there is nowhere in the world, a forest more diverse, with so many different species of trees, fish, mammals, birds... How can they catalogue so much life and not care about killing it? Gero does not understand, because absurdity does not mesh with understanding. To protect in order to destroy, to create laws and not obey them, to tear away the subsoil's heart. "The problem", she says, "is that this time we do not have a place to escape to".

When the SLI had confined us to populated areas under their control, then began the oil exploration in the Amazonian Region. Our ancestors told us about how the Huaorani towns, which were not within the reserve, were bombarded in order to displace them. Our houses were destroyed from the oil company's helicopters, which we saw as an aggression worse than the one during the times of rubber exploitation. In 1967 the Texaco - Gulf consortium "discovered" great hydrocarbon reserves in the Lago Agrio region, and built 513 km. long network of oil pipelines with a transport capacity of 250,000 oil barrels per day, which started operating in 1972.

- When oil exploration started seismic lines were opened, straight roads of about 5 meters wide and a length of hundreds of kilometres long. There everything was cut. After each kilometer, they opened a half hectare for the helicopters to bring down explosive materials, and each 50 to 70 meters were exploding some 10 kg of dynamite of a depth of 20 meters. This, seismic survey stage was the first step in the oil exploration, to make the soil explode with detonations in order to locate, according to the vibrations, the most probable place to find oil. More than 4,000 people worked on this, counting the subsidiaries. When they encountered indigenous houses in their path, they destroyed them, and if they found indigenous people, "*they liquidated them without any scruple*".

The same history was repeated with the Cofans, Sionas, Secoyas and Kichwas in the Amazon basin plains.<sup>9</sup>

In 1967, the State passed the first Agrarian Reform and Colonization Law, and the Barren Lands Law, so the mixed race people would occupy our land, as a cheap work force for the oil companies, as the settlers did in the United States' indigenous territories. It was "the conquest of the East" and the building of "lawless towns".

The Cofans are a people who live at the Colombian border. They are known as "the men who sail". Before colonization, the Cofan people occupied ample territories with big rivers in the Western Amazonia. They had a great unified territory around the Putumayo

River, but today their territory is fragmented in 5 separated communities that altogether amount to 256,358Ha (Dureno -9,571Ha-, Duvuno -6,336Ha-, Chandia Na'en - 55,451Ha-, Sinangüé -50,000Ha-, Zábalo -135,000Ha-). In conclusion, although they are a people who were here for millennia, the State has accorded them about the same consideration as that given to each oil company which comes into the country, and half of what it gave to Texaco.

They lost their great territory due to oil activity and to infrastructure building as well as the colonization that resulted from the first. Nevertheless, the arrival of the oil companies was not possible until shaman Guillermo Quenamá was killed. He, in 1960 announced the arrival of oil companies. Representatives of the Cofan people are convinced that Texaco workers who used other people to poison him, executed the killing of the shaman.

“I have chosen this place (Dureno) because this is the best place in the jungle. There is a wide variety of hunting and fishing, medicinal plants, handcrafts and because the floor is sandy you could walk and avoid pebbles in your feet. Because of all that you can not let the *cucamas* (whites) take away this place, because one day they are going to come to us and they are going to damage our land” (OINCE. 1998)

In 1969 when the Texaco Company came they gave three plates of rice and four spoons as compensation to the Cofan bystanders.

Once admitted into the community, missionaries of the ILV prohibited their indigenous essence like the drinking of Yajé and drinking *chiha* and smoking... they misappropriated their god's name to identify him with the Christian one... and imposed their way of competitive, individualistic, and ambitious outlook to their members, breaking up their communitarian oriented culture.

The oil company abused the indigenous people, abused their land, seized their resources..., and even raped their women. The same happened with the Huaorani, in January, 1990. The 'La Hora' newspaper reported that the situation of the Tingüino community grew very tense and ended up in confrontations between workers and the indigenous community, because of the rape of Huaorani women by oil workers.

The impact was not only social and cultural; it was also environmental and economic. The oil spills were first in the agenda. Texaco threw all test crude oil into the rivers, and that plus the air contamination, made people get sick with skin infections, and respiratory tract infections. There were also gastro intestinal infections, haemorrhages, spontaneous abortions and stomach, bone, and blood cancers. The health of the people deteriorated so much that traditional medicine was not enough and they were forced to use western medicine, although the economic barrier was insurmountable.

The same happened to the Siona people. Their territories are lowlands, rich in natural resources and accessible by river and this is the reason why they were called 'people of the river'. This situation made them very vulnerable during colonization. The Spaniards battered them during the conquest; the men were killed and their villages were burned in search of gold. This also introduced new diseases. The search for rubber and haciendas compounded all these. By the later advent of oil through Texaco and the influx of tourists the Siona had been reduced to just a handful of people (350). Texaco hired men

as unskilled workforce, with a dollar a day salary and the Secoya (today 270 people) have also been left extremely affected, by oil contamination by Texaco in Shushufindi, the most productive but also the most contaminated field.

The Kichwas of the Napo riverbank as well as the ones at the Aguarico riverbank were extremely affected by Texaco Corporation's oil activity. Among this people, there are communities that have achieved their culture in a better way. Nevertheless, those closer to the cities and highways had to change their traditional practices.

The collaboration between the missions and the oil companies was such that in 1976 the French company Compagnie Generale Geophysique (CGG), contracted by CEPE-Texaco to carry out seismic prospecting, approached the Summer Language Institute (SLI) in charge of the Evangelical Mission and the Nuevo Rocafuerte Capuchin mission to seek advice against us.

Each culture is different. You have your house and live well with what you have. Our old spirits have told us that we have to live well and respect our culture... We have a good life, we have good health, and we have our culture. We do not want to exchange our life for a school or for an airplane. We do not want to lose our territory... We do not want to make new documents. We want to make only one document where they commit themselves not to come into our territory. We will sign this document and we do not want each year to make other documents. We want them to respect us. (Huamuñi and Enomenga).

TEXACO imposed the fact that the oil companies operating in the zone would act as local power structures, with relations of domination and dependency. We were free but ended up as salaried workers and people who depend on the company and expect a plate of food from them. We ended up as drunken men at the ports, waiting to be picked up back home... Today almost the entire Huaorani people have some level of dependency on the oil companies.

We were healthy people, our wounds were easily healed, and we had been told we have a good defense system in our bodies. However, the missionaries brought us cold and measles, which we could not resist and the oil companies brought us hepatitis B, D, and sexually transmitted diseases. In 1999 blood analysis were made in the United States, Peru, and Ecuador, which proves these facts. The medical report uncovered the fact that the Huaorani were infected from an oil field (El Comercio 03/02/99). An Anthropologist from the United States denounced the perverse practices of employees from a US oil company, which dealt with Huaorani men, to make them bring their sisters to the camps. In 1997 a New York store announced they had Huaorani genes for sale. They value us for what they can sell of us.

'I want to talk about the Huaorani people's point of view, about my ideas, about my heart. We live in the Amazon; we defend the Huaorani's right to life. In the Amazonia we do not need airplanes or cars because they affect the world far too much. Each day there are more factories, how are they going to solve that? Every day there are only problems. We ask you to think about what is going to happen in the future... We have a big jungle. Even here, so many students are going away to study, but it is better to study our own region. In our country, there is so much to study, so many lakes, so many rivers, so much jungle, so much wind, and so much water, where everyday there are

more fruits. Instead of studying this, they leave the country and then come back, and their ideas change so much and they think alien thoughts and want more oil. (Enomenga, Moi).

‘The worst that civilization could have brought to the Huaorani people was alcohol (Samuel Caento, 1993)’

Gero, *balsa tree*, and symbol of a people shipwrecked in a green sea<sup>2</sup> concludes comparing futures: “Today our name, the 'Huaorani', makes the head move from one side to the other, while our eyes are downcast and our lips tighten”.

### **Oil exploitation against life in the Amazonia<sup>3</sup>**

Why those names for the cooperatives, the stores, the villages, “New Paradise”, “Beautiful Union”, “Social Justice”, “The Victors”, “New friends”...?

Dolores answers while fixing her children’s meals, over firewood fire at her little yet to be completed wooden cottage roofed over with rusted zinc sheets.

- Who knows! Maybe believing that names indicate life or destiny, or that telling your dreams makes it easier for them to become real. We were more than 200.000 people, who when arriving in this land believed we had come to Paradise, where we could offer a future to our children. As you see, this is only work and there is not a chance of getting out of poverty here. -Dolores does not speak with resentment, but with resignation, with the tone and cadence of someone who believes that it is not possible to fight against the State. “If the oil companies have brought every government to their knees to whom can we complain about the abuses? If we were born poor can we change our destiny?”

Dolores keeps the fire alive with a piece of cardboard, not realizing the fact that the Texaco company burned 2 million cubic meters of gas each day in its facilities, since 1967 to the end of its contract in 1991.

All the oil extracted by Texaco in 25 years (1.5 billion oil barrels) in the United States was consumed in 75 days. In order to do it, 22 stations were built and 339 oil wells were drilled in an area of 442,965 hectares. A region where thousands of tons of toxic materials were thrown into the environment and rivers, from maintenance waste and more than 450 million barrels of production water (with 6 times more salinity than the ocean and with hydrocarbon and heavy metals residues).

To these residual waters, we have to add the spill of more that 400.000 oil barrels, during the 20 years the trans-Ecuadorian oil pipeline (SOTE) operated. Nevertheless, if you add to this, the spills of each well and of each secondary line in the same oil company fields, the amount is incalculable.

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<sup>2</sup> Title of a book by Giovanna Tassi.

<sup>3</sup> All the testimonies are true and are compiled in the book “Ecuador ni es, ni será ya, país amazónico”. The narrator of this section is a fictional character who is being used as a guide for the events here narrated.

- Nobody knows how many waste dumps or pools this company built. Some talk of around 600 and others of more than 1,000, because Texaco is like a dog that hides its bone or a cat that covers its mess. Some of the 339 open wells have only one visible pool while others had three... and nobody knows about the majority of them.

These pools were just simple holes on the ground, where drilling waste (highly toxic drilling mud) was dumped or where oil from a test well or waste from the periodic maintenance done at the well were dumped,. Other waste came from the flare pits and the waste water from the stations. Without these waste pools, Texaco would not have known how to operate.

With each heavy storm, pools overflowed and with the passage of time, those chemicals seeped into the subsoil. The day to day oil activities of Texaco was a sorry story of spills. The soil is no longer as productive as it used to be in the past. The animals die because of toxic waste- induced sicknesses and some simply drowned in the waste pools.

“Twenty years ago there was a huge spill at our farm. Three years ago, another big one happened. The Teteyé River has been seen many times full of oil.”<sup>(1)</sup>

“Many have been the times when spills had happened, in Santa Cruz there are 78 people and all of them have been affected by contamination”.<sup>(2)</sup>

“It is sad to see how the formation water is sent directly into the estuary and there is nothing we can do to stop it.”<sup>(3)</sup>

“My family arrived when Texaco was drilling the wells 1 and 2 in Lago Agrio. They always throw the water on the street and into the estuaries.”<sup>(4)</sup>

“When the crude oil is spilled in the Tiputini River more than 500 families are affected.”<sup>(5)</sup>

“Usually ashes fall down when the flares are on and a huge swamp has been made from the mixture of formation water and oil from the station. There is no hope because they don’t respect us and only act to have us humiliated.”<sup>(6)</sup>

“Texaco used to leave an open valve in their installation and crude could be spilling for 2-3 days, and nobody would come.”<sup>(7)</sup>

“Ten years ago we suffered an oil spill from Texaco and it is still there, they left it there without doing anything. It accumulated and is still there.”<sup>(8)</sup>

“Every day they send us salty water from the station.”<sup>(9)</sup>

“For over ten years the pools have been out in the open. Around them, everything is contaminated. We get the water from a well, but the chemicals from the pools are filtered in and polluted the ground water and when it rains, it gets more contaminated. More of our animals die too”<sup>(10)</sup>

“Our water well is only about 30 meters away from the crude oil pool. The chemicals from the pool are filtered into the well. In 23 years more than 50 cows have died on us.”<sup>(11)</sup>

“We had three pools on our farm, but around two years ago they covered them. In those, the cattle were buried. We lost ten heads of cattle that started to get thinner and brought dirt from their udders instead of milk. Some we did sell for meat before they died and others we ate.”<sup>(12)</sup>

I had to sell all the cows, because they started to get sick after the spill that affected the entire swamp”.<sup>(13)</sup>

“During the 20 years I have lived here probably 40 cows must have died from contamination. Just this week five have died, and four are about to perish. I have the cattle vaccinated against everything but contamination, and they died from it because the watering places are contaminated.

People who work in the farm also take water from it to drink, but the fact is that the burners contaminate the water we drink. What could we do if; when we protest they send the military to repress us even if we are right”<sup>(14)</sup>

“When it rains a pool which is 15 meters away overflows into the water well which we use for drinking water”<sup>(15)</sup>

“Spills were frequent and occurred almost everyday. A pipeline used to break almost every week and the company did not replace it. I had to plug it myself. The estuary where the waste heads goes along the farm and I have it all contaminated.”<sup>(16)</sup>

“We had a grassland area next to the oil well and this is where they sited a waste pool. When it rained the water made the crude oil, float and this spilled all over the grassland. We lost five cows that started to get skinny. Where the crude oil is spilled, the soil becomes hard. It also becomes unfit for planting.”<sup>(17)</sup>

“We all have gotten sick and lost cattle. There was a significant oil spill in 1973, when Texaco was operating, that affected the entire zone. The spill was enormous and even now, it affects the growing of the crops. What is left is a contaminated swamp.”<sup>(18)</sup>

“Twelve years ago the pools spilled over and went into the grassland. Since then I cannot use it. They give us work to silence us but never to solve anything.”<sup>(19)</sup>

“Although the oil well stopped working 5 years ago, my house is built on top of an old closed pool. When it rains, the water turns oily and we have to collect water from the rain, because the well is 50 meters from the house...”<sup>(20)</sup>

“Many cattle fell into the toxic pools and when we were able to pull them out the cows brought out oil when we milked them. We wanted to eat the dead pigs, but they tasted like gasoline.”<sup>(21)</sup>

“They covered up a couple of pools and we planted plantains on them to recover the land because they said the land would be okay. The plantains dried. Nothing grows on that land.”<sup>(22)</sup>



“During the time of Texaco we suffered three spills because the pipes were all worn-out. Nobody ever cleaned them.”<sup>(23)</sup>

“The spills happened one after the other. The pipes in front of the house blew out. The oil storage tank spilled over and as always the crude reached the rivers contaminating them.”<sup>(24)</sup>

“Fifteen days ago the well exploded and there was a huge spill. They could only scoop up a part of it and then the rest was burned.”<sup>(25)</sup>

- For a period of over thirty years, the only pavement was at the airport. The roads were slippery like skating rinks because oil was spilled on them. All the rivers that crossed the roads ended up collecting the crude oil that was washed with the rain; this was the situation throughout the twenty years Texaco operated in the zone.

- They also used to burn the crude. The pools were burned indiscriminately every one to three months, depending on the amount of crude accumulated. There were enormous columns of black smoke that went up from the pools reaching up to 30-40 meters. Soon after the burning of the pool, a black drizzle started to fall that covered the animals, the roofs, the crops and the clothing hung on lines... as if a black mantle stretched out in front of our eyes. -Dolores talks with a lost gaze as if at that moment she would have been living it and at the same time describing it. With that, we lost the last source of clean water we had left, the rain.

“The burning of the pools, since the Texaco times, has caused permanent oil rain”.<sup>(26)</sup>

“The water from the rain is black and it is impossible to drink it. They still burn the pools and the crude oil that is not burned falls over the houses’ roofs.”<sup>(27)</sup>

“Every night the company starts fires on the pools, which burn for around 4 hours. We have to stay lock inside so we are not affected by the pollution, but we have a child who suffers from asthma... we have to drink the water from far away, because even the rain is very contaminated.”<sup>(28)</sup>

“With Texaco, when the pools were burned, wherever the crude fell, nothing more can ever grow.”<sup>(29)</sup>

“Each week the station’s pool is burned and all the smoke rains on us.”<sup>(30)</sup>

“Frequently we all smell the fumes and gas from the attempted burnings. Because it is heavy, the company does not burn the crude efficiently. It lets it go, and in the mornings we see it accumulated on the floor. Two of my children were intoxicated by the gas and one of them has not recovered since then.”<sup>(31)</sup>

“Not long ago a worker got burned because of the spark his machete made against a stone and fire started from the gas that was released without being burnt. And that station releases gas without burning it.”<sup>(32)</sup>

The gas from the stations is burnt 24 hours a day. It is hell, -Dolores says-, a hell where my children have lived since they were born. How would they find a reason to fight if

they never knew another life; if they do not know another hell but this? What could their dreams be if their reality was so imprinted by this hell?

For Dolores the worst thing is the lack of water. Life becomes a permanent search for clean water, a search that is not always successful.

“We have to cover the water and the wells so we can drink it, because oil drops fall permanently from the burner. The water from the pools overflows and falls into the estuaries and from there to the river so whenever it rains it always carries flowing grease.”<sup>(33)</sup>

“They contaminated a crystalline source of water that is useless to me as of today.”<sup>(34)</sup>

“After 18 years of living here, we have continued collecting rain water to drink. We depend on it even though it is contaminated.”<sup>(35)</sup>

“The water we drink from the well is contaminated with crude oil. It tastes like diesel, although it is about 300 meters from the oil well and even though we pour some chlorine to purify it.”<sup>(36)</sup>

“We do not have an alternative. The water from the estuary we could only give it to the animals because it is contaminated.”<sup>(37)</sup>

“The report analysis that the municipality has done about my estuary says that the contamination is huge, but the company says that they do not contaminate, that formation water is not harmful, that you could drink it without worries, because it has proteins, vitamins as found in milk because it makes foam.”<sup>(38)</sup>

“Crude oil is vitamin and a fertilizer for the fields, they say.”<sup>(39)</sup>

“They first spoil our water when they drill and later with the crude oil. It has been eight months that we only collect rain water because they damaged the spring. To wash clothes we have to go up the river. They tell us to just drink it, that the water is good and that we could drink it. They are criminals for telling us that, criminals because they are engineers and they know what the water carries. Our well is 30 meters away from the contaminated water and San Carlos is one of the communities with the most cancer cases in the Oriente region.”<sup>(40)</sup>

There is total impunity, without the right to protest, without the possibility of sanction and without being able to stop an action everybody knows is criminal.

“After each spill nobody compensated us for the damages. Texaco enjoyed impunity. Every time I asked for damage compensation, they cheated on me. They made me go around in circles and when they got tired, they threatened me with jail. Whenever I wanted to file a lawsuit, the lawyer betrayed me. When they paid the Shushufindi municipality, the mayor took the money and disappeared without fixing any damages... to the peasants there is only death as an escape, but not even that is dignified.”<sup>(41)</sup>

“It has been 18 years here at the farm, but since they opened the Texaco field there has been more than 20 that they are contaminating, and there has been no solution. Some

engineers told us the water was good, 'fit for consumption'. They told us that after the cleaning of the spill the water is good for drinking. That is criminal.”<sup>(42)</sup>

“Who can oppose the State? We are drinking contaminated water, at night they open the gas valves intoxicating us, and they say that the water from the river is cleaner than the water we drink from the water wells and ask us to continue drinking it.”<sup>(43)</sup>

“This is an experimental INIAP farm; here we had a case of contamination by crude oil and it affected our animals. The cows drank contaminated water and stopped giving milk and blood came out when we milked them. We lost a water spring that is already contaminated and we had to dig a well.”<sup>(44)</sup>

- What would you do if you could not drink the water from the spring? If whenever you take a bath in these magnificent rivers, your feet would lift up the crude oil from the bottom. How would you feel when watching your children taking a bath? Or, when you carry water from the well knowing it is contaminated? What would you think when you know the food for your children has to be prepared with that water? What future would you dream for them if you know that even the water from the rain is contaminated? What hope would you have if you know you cannot escape? What would you do if you know that reason is on your side but they threaten you with the armed forces of your own country?

“We have been living in this house for 17 years. For a long time we drank water from the estuary. We used to push aside the black part of the crude oil and drink what was running under it without knowing it was poisonous. It was only after we learnt it was poisonous that we dug a water well for our drinking water”<sup>(45)</sup>

“When the river is polluted with crude oil we don't have any other option than push it aside and drink the water under it. There is no value in protesting because they have never paid attention to us and have never compensated us. They simply waste our time, and tire us out. On one occasion, they asked me to leave; otherwise, they would beat me up. On other occasions, they threatened to get us arrested... Anything we do amount to just humiliating ourselves.”<sup>(46)</sup>

We bought a plot of land, when we started digging to build a house we found oil coming out everywhere. The plot was a huge waste pool that had been buried and was very full of crude oil. We can't do anything with that lot.”<sup>(47)</sup>

“There was an occasion when their pipe burst and the crude oil polluted the Taracoa Lake. We cannot eat a single fish; everything is contaminated. When we first arrived here there were many fish, but today there are none, Nevertheless, we can do nothing against the oil companies. We just have to get used to the situation. One day we tried collecting names and signatures, but because there are some that work for the company, we got discouraged.”<sup>(48)</sup>

“We do not have options on what we drink. We drink contaminated water because when the oil well was made, everything became contaminated. And when they clean it, they throw all the crude oil into the estuary which was our source of clean water.”<sup>(49)</sup>

“Here the soap does not lather because of the salinity of the water.”<sup>(50)</sup>

“The water we drink is salty; we take it out from a well that is only 20 meters away from the contaminated estuary. The pools overflow several times each year and flow into the estuary. We call the water salty because it tastes salty”<sup>(51)</sup>

- The most common river name in this region is “río salado” (salty river). Besides, in Ecuador ‘being salty’ means to have bad luck or that everything ends up bad. That is the legacy left by Texaco: a lack of a future and a poisonous present. -Dolores tells while serving the table-. There are more than 500 people dead and sick because of cancer. The skin diseases have become chronic and some of the people who live close to the oil facilities have lost entire families...”

“I lost two daughters, one age 22 with leukemia and the other age 12, Graciela and Rosa, this last one with liver problems after eating contaminated fish.”<sup>(51)</sup>

“My daughter Bertha Mercedes Ordoñez Carrión died at the Pablo Arturo Suárez Hospital with leukemia at the age of 13. For 6 months I slept at the hospital under her bed, keeping vigil while she slept and holding hope she could recover. I spent a lot of money on her treatment, but she died and I lost her, now I only keep her photograph because Texaco treated her memory like a piece of dirt. We have suffered memory loss and we also have another daughter who has problems with her Nervous System, with retardation. We used to drink water from the well ten meters away from the pool, because we did not have where else to get the water from. 67

“Two people have died in my family but we do not know the reason.”

“One person from the family died of cancer. We suffer spills all the time. Every 3 to 6 months the pools overflow and they clean the tanks and throw the trash on us.”

Permanently, every day, crude oil and formation water have been thrown on us. There are neighbors that have died of cancer. ”

“We have a water well ten meters from the contamination. My husband died of stomach cancer at age 54, he was tried at SOLCA, but there was nothing they could do for him.

“At this moment my wife is in Cuenca getting some tests because she suffers severe digestive problems, and my daughter died at age 3, after a big spill. I think she died because of the strong chemical smell. Two more people died in the community and today a little girl is hospitalized because of burns. Apparently there was a crude oil spill and the girl holding a torch went to see what was happening and then the fire started.”

“Two of my children died, one aged 7 and the other of age 3, both of them had strong stomach ache.”

“Doctors told us to go to Quito to give my children medical attention, because it was due to contamination. But without money we couldn’t take them, and they died on me. One was 3 years old, the other 2 and the third one 5 months old.”

“We are indigenous people and we have lost a 19 year old son with liver cancer and a 20 month old boy of intestine cancer. They couldn’t do anything at the Baca Ortis Hospital.”<sup>75</sup>

“My wife was eight months pregnant and she suffered an internal hemorrhage. She died in an hour and a half and she was healthy...”

“The Suarez family used to live in this well. But two of her children died because of leukemia, one was 13 years old, and the other 18. After their second child died the family moved to Saccha. They were at the farm only 10 years.”

“One of our children died at age 5, with strong stomach, head and heart ache. When he died the people at the company said that it was a nervous breakdown. I have an enormous asthma. The water from the well and the air affect us because of the burners’ discharges.”

“In our family there are two people who have died of cancer. Pedro of leukemia and José of bone disease.”

There are fifty families in this community and just recently we have had two cancer cases, one of skin, and another of throat, they have already died, and now two people have leukemia. They were all treated at SOLCA.”

“My husband died of leukemia at the age of 60. One of my daughters died of cancer at 12 and my daughter in law died of a hemorrhage at 35. They gave us a diagnosis in Coca, but because over there, there was no good medical attention and without money we couldn’t do a thing, they died.”

“In our family three people have died of cancer, one with stomach cancer at age 38, another one with bone cancer at 60, and another at 70 with leukemia. Ten years ago the company carried out water analysis and concluded it had a high concentration of lead.”

“In our family two people have died of cancer, one of liver cancer at age 86, and another one at 60 with stomach cancer. My wife had a uterus extirpation because she also has cancer.”

In my family, we had a case of cancer and a neighbour died from it. There are 30 families in the community and I know of two people who have died of cancer, one of the bone and the other with prostate cancer.”

“We know three people from the community who have died of cancer, two of stomach cancer and one of leukaemia. Here cancer is already a plague, it affects all of us.”

“We know of a neighbour who lost three children: one drowned, he fell into the estuary that was full of crude oil, it ate him alive and he died, the other two were just months old and died because they were bathed with contaminated water. His wife had three abortions and when she was diagnosed with cancer, she went to Guayaquil to be treated. While she was there one of her daughters was diagnosed with leukaemia.”

“Here people die and then get buried, nobody knows of what, how could we find out if it is because of cancer?”

“One of my daughters had cancer symptoms. And I know of a neighbour with blood cancer.”

“There are already more than 5 neighbours who have died of cancer in a community of 250 people (1/50) and one of our children died when he was just two years old with severe skin problems.”

“A brother died, in SOLCA, with colon cancer, he was 42 years old.”

“My father died with liver cancer, he was diagnosed at SOLCA.”

“I was operated by a skin specialist in Quito who told me that what I had was due to contamination. My father died of cancer.”<sup>90</sup>

“Not long ago a neighbour died of cancer, she was diagnosed at SOLCA and it was a liver cancer, she drank contaminated water for a long time.”

“In this community more than 16 people have died of cancer. FUSA came to test the water from the estuary and from the well and they told me that the water from the well was more polluted than the one from the estuary because it was stagnant water.”

“They did some analysis and told us not to drink the water from the river, but two of my children have already died, one was 14 and the other 10, also a neighbour died after drowning at the pool of crude oil.”

“In our community seven people have died of cancer.”

“Cervical cancer is each time more frequent and Dr. Vicente Aguilera told us that my ulcer in the uterus was because of contamination.”

“My mother got sick with liver cancer at 65.”

“After 27 years at the farm my husband died of lung cancer. He was not a smoker, but on his way to work he drank water from the estuary, which was polluted by the oil well, but there was no other option.”

Dolores stands up and goes to her children’s photograph and lights up a candle that sits on the bureau. I think she is crying. In Ecuador, you count the dead children as well as the living, and you talk to them as if they were all alive. Nevertheless, you miss their laughter, their touch, and their lives because they died before their time.

Now, nevertheless the hope for justice is here, it is expected that the lawsuit filed by peasants and indigenous people ten years ago finally allows the cleaning of the Ecuadorian Amazonia and builds a better future for children who have lived among fires, spills, and poverty.

## Recovering of the people's dignity<sup>4</sup>

“We women say ‘the more oil, the more poverty’, and the slogan is not a simple saying, but rather it is a perfectly verifiable reality in each country where there is crude oil extraction” – Who says this is an activist from an ecological organization.

A study of ninety-seven oil-exporting countries, confirms, “There is a negative relation between the dependency of a country on crude petroleum exports and its development” (Oilwatch 2001).

A look at Mexico, Nigeria, and Angola will make you realize those are countries that have gone from crisis to crisis. While their people remain plundered by poverty, oil activity has not created sustainable development in any of them.

In the specific case of Ecuador, the economists recognized there was a short period of time in which the oil activity contributed 80% of the country's income. Nevertheless, it is affirmed that since 1982, because of the debt generated by this activity, neither hospitals nor schools were built and the social programs were held back (Larrea, 2002).

The reason was very simple:

“Petroleum Ecuador got the credits that Ecuador banana did not get and the cacao sector got even less. ... the Ecuadorian foreign debt increased almost 22 times: from 260.8 million US dollars at the end of 1971 (petroleum exports started in 1972) to 5,869.8 million at the end of 1981... the foreign debt service in 1971 took 15 dollars of every 100 exported, while ten years later it was 71 of every 100 dollars” (Larrea, 2002).

In 30 years the debt has increased more than 61 times and its value today is over 16bn USD, while the poverty has increased to two out of three urban people and almost the totality of the rural people (80%)

Ecuador is not a poor country. It is a country rich in cultures, landscapes, and biodiversity. It is not an oil country but a country of the sun and water. Sadly, it has been impoverished by plundering, abuses, and injustices, and it is being destroyed.

In Ecuador, the freest people, like the Huaorani, are forced into total dependency. The most beautiful zones today are contamination and junk dumps.

Texaco's activity, for example, caused destruction of such magnitude that it is difficult to compute its cost or place a value to compensate for what was lost. We concluded that this company owed 71 times the current foreign debt.

That is why the campaign against Texaco is so important. This campaign is built with protests, with formal complaints, with workshops, and with a lawsuit that is being heard in a small city in the Ecuadorian Amazon, which has generated international attention.

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<sup>4</sup> The narrator of this section is a real person whose name has been changed. The rest of the testimonies are real too.

The legal complaint was originally filed in the Federal Court in White Plains, New York, November 3<sup>rd</sup> 1993. The lawsuit, called *Aguinda vs. Texaco*, survived pressure from nine Ecuadorian Presidents, overcame the death of the first judge (Vincent Broderick 93-95), and suffered suspicion of corruption in the hands of Judge Jed Rakoff (1995-2003) whom Texaco invited to an event, in a manner considered as corrupt practice in the United States.

After 10 years of waiting, the judge decided to return the case to Ecuador, but with one important clause, that ChevronTexaco should submit to the Ecuadorian jurisdiction and that it would not present the preemption argument.

In the year 2003, the legal complaint was presented to the Ecuadorian courts, and on October 21<sup>st</sup> 2003 in Nueva Loja, the judge decided to deny Texaco's request to dismiss the complaint.

“There are more than fifty thousand indigenous plaintiffs and Ecuadorian settlers against Texaco, and, for the first time, the transnational corporation is in the defendant's seat in a judicial court in a remote wounded city of a dark country on the planet Earth. This is an example of reverse globalization and the universalization of resistance. If the communities win this fight, if we win this fight, any *third world* community in the First or Third World, could take the transnationals to court on oil and non-oil issues, and demand for justice for uncounted damages done to nature and humanity. In addition, those communities, like this organized Amazonian community, could win, although days before Texaco had received a commendation from General Colin Powell... this is the magnitude of the challenge, the dimension of this fight that the poorest and most patriotic people of Ecuador, the most humble and most down to earth human beings in the world, are giving today (Ponce y Gallardo, 2003).

The lawsuit has become the most important landmark of a long struggle against the environmental impacts of this company. Under the *Texaco Never Again* slogan there is the suggestion not only of sanctioning Texaco but the demand that this experience never happens again.

The lawsuit is not only limited to the courtrooms, it goes beyond this, as people are observing and going along during the court inspections...

We walked over a thick layer of crude oil from an old spill, each step sinking lightly as flies sink in the scum of the boiled milk left half drunk by the picky children and so benefiting these insects. However, the scum under our boots was not food remnant but poison. It was oil spilled decades ago and abandoned without any remediation. Time had converted it into a thick tar layer that is like a rubber mattress that covers the waters of an already invisible swamp... The defence team argued different theories to explain the issue. One of them tried a curious idea to explain it. He said that the thick and wide black mass was only a product of natural decomposition, the composting of the fallen leaves and of sticks and logs. An interesting peculiarity of the flora from this area is that it does not need millions of years nor high pressure to produce petroleum... The Amazonía has been mistreated since it was discovered. Texaco saw it as the neighbour's back yard. They have the nerve of doing here what they could never have done on their own patio, and they did it in agreement with our blind, corrupt, and mediocre



authorities. Texaco arrived with its technology and economic might to a Third World country, ignorant, and incapable of looking to the future, weak and naive.

The jungle captures you. Once you meet it, you cannot stop thinking about it. It shakes your most intimate fibres. Nevertheless, it is not only the magic of the jungle; it is also the magic of its people.

The first time I got into Huaorani territory, I was surprised that in four days I did not hear a child cry, not even once. It may not seem very important and perhaps only other women would understand what that means, but those children actually were well. Children under an almost collective care do not cry. Today, after the oil companies came in, Huaorani women work at Shell Mera's bar and drunk men drive around in the company's car, before they wake up with injuries on a hospital bed. The children are quickly adapting themselves to those new conditions that push them away from their parents, destroy their land and therefore dislocate the future of these people. (Martinez, 2004).

After 10 years of a continuous struggle and organising, we have learned to struggle and not to get tired, to be observant and above all to have the conviction that to fight a battle is already a victory. We have an opportunity of preventing environmental impunity from becoming the law. Nevertheless, it is clear that there is still a lot to do.

ChevronTexaco maintains an aggressive campaign against the Ecuadorian Government. This pressure included an international arbitration in the American Arbitration Association (AAA) of which the current ChevronTexaco vice president, Charles A. James, is a tribunal board member. In the case known as '*ChevronTexaco vs. Ecuador*', Texaco filed charges against Petroecuador and the Ecuadorian government, the company asked for indemnification for damages, plus interests. It sought to force Petroecuador to pay TexPet and ChevronTexaco an amount equal to all the expenses, fees and other costs related to the Ecuadorian lawsuit; a declaration in which Petroecuador is to be compelled to compensate and exonerate TexPet and ChevronTexaco, and to receive any other compensation the arbitration panel considers fair and appropriate.

Additionally ChevronTexaco requested that the government of the United States remove Ecuador from the Andean Tariff Preferences Act (ATPA) list, commercial preferences given by The United States to the Andean countries. The company claims that the State does not defend them in the lawsuit in Lago Agrio and requests the payment of their lawyers' fees and of all legal expenses.

ChevronTexaco is not just any company. It has unlimited resources and the capacity to exert pressure at all levels. As the press has said, it is a David and Goliath battle.

After the inspection, the questions surge one after the other and in my head worries were hovering about, scenes, actors, judges, lawsuits, stories, testimonies, past, present, and future, country, transnationals...

Within the framework of great confusion, I started to outline some questions, which would allow me to put in some order and perspective this hot and intense day's work of

inspection, on the 26<sup>th</sup> of January 2005. The following are some of the questions that I will have to answer for myself:

Why have the operational practices of the Texaco Corporation not been unveiled in developed countries?

Is it possible that a transnational company has one code of conduct and practices for developed countries and another one for the Third World?

Why are the Petroecuador practices so weak in terms of environmental control?

During the time the consortium CEPE–Texaco was operating, who was responsible for the technological side of the operation?

In what way has this case raised the social consciousness of the socio-environmental impacts generated by bad practices of the oil industry?

Is the local population demanding that the socio-environmental impacts attributed to Texaco not be repeated?

How long will this lawsuit take?

Is it possible to think of a mechanism that shortens the process?

Could this case establish such a precedent that multinational companies start operating in Third World countries the same way they do it in the developed ones?

For how long will the Ecuadorian Amazonía continue being lacerated and poked around to extract oil from its entrails? (Varea, 2005)

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## **Testimonies of the affected**

All the testimonies are true and are compiled in the book by Acción Ecológica 2003 "Ecuador ni es, ni será ya, país amazónico".

- (1) - Flia. Briceño. Santa Cruz. Pozo Lago Agrio 2
- (2) - Flia. Ramírez. Sta. Cruz. Pozo Lago Agrio 17
- (3) - Flia. Ramírez. Andina. Pozos Cononaco 6 y 25
- (4) - Flia. Ochoa. Lago Agrio. Estación Norte
- (5) - Flia. Merchán. Tiputini. Pozos Auca 13, 14 y 15
- (6) - Flia. Gonzaga. Estación Norte campo Lago Agrio
- (7) - Flia. Freire. Dayuma. Pozo Auca 9
- (8) - Flia. Ramírez. Parker. Pozos Sacha 22 y 80
- (9) - Flia. Troya. Voluntad de Dios. Pozo Yuca 12 y 13, y estación
- (10)- Flia. Vega. 18 de Noviembre. Pozo Shushufindi 24
- (11)- Flia. Manobanda. La Primavera. Pozo Shushufindi 56
- (12)- Flia. Núñez. La joya de los Sachas. Pozo Sacha 20
- (13)- Flia. Apolo. La Primavera. Estación Aguarico III
- (14)- Flia. Quesada. Dayuma. Pozo Auca 13
- (15)- Flia. Aguila. Nueva Jerusalén. Pozos Sacha 117 y 71
- (16)- Flia. Quesada. Dayuma. Pozo Auca 13
- (17)- Flia. Melizalde. Sacha. Pozo Sacha 35
- (18)- Flia. Leiva. Lago Agrio. Pozo 5
- (19)- Flia. Calderón. Unión Nacional. Pozo Cuyabeno 15
- (20)- Flia. Erraes. Lago Agrio. Pozo 26)
- (21)- Flia. Calero. 18 de Noviembre. Pozo Shushufindi 79 y estación Sur
- (22)- Flia. Huamingo. 18 de Noviembre. Pozo Shushufindi 2
- (23)- Flia. Mosqui. Dayuma. Pozo Auca 30
- (24)- Flia. Bravo. El Triunfo. Estación Guanta
- (25)- Flia. Perengues. Tres Palmas. Pozo Parahuaco 4
- (26)- Flia. Ulloa. 28 de marzo. Pozo Aguarico 8
- (27)- Flia. Pardo. 11 de julio. Estación Shushufindi Norte
- (28)- Flia. Correa. Enokanqui. Estación Sacha Norte 2
- (29)- Flia. Melizalde. Sacha. Pozo Sacha 35
- (30)- Flia. Moreira. 11 de julio. Pozo Shushufindi 36 y estación Norte
- (31)- Flia. Gutiérrez. 18 de Noviembre. Pozo Shushufindi 26 y Estación Suroeste
- (32)- Flia. Vidal. 18 de noviembre. Estación Shushufindi Sureste
- (33)- Flia. Sigüencia. Enokanqui. Estación Sacha Norte 2
- (34)- Flia. Elizalde. Los Vencedores. Pozo Shushufindi 4
- (35)- Flia. Salazar. Lago agrio. Pozo Lago Agrio 29
- (36)- Flia. Campoverde. La Independencia. Pozo Sacha 90
- (37)- Flia. Anchundia. Flor de los Ríos. Pozo Parahuaco 2
- (38)- Flia. Mashumar. Dayuma. Estación Auca Sur
- (39)- Flia. Garrido. Voluntad de Dios. Pozo Yuca 5 y estación
- (40)- Flia. Vera. San Carlos. Pozo Sacha 157
- (41)- Flia. Ordóñez. 16 de abril. Pozo Shushufindi 33
- (42)- Flia. Encarnación. Los Vencedores. Pozo Aguarico 4
- (43)- Flia. Calvache. San Carlos. Pozo Sacha 142
- (44)- Ldo. Zapata. INIAP. Pozos Sacha 47 y 81
- (45)- Flia. Delgado. Nueva Ecuador. Pozo Sacha 15
- (46)- Flia. Merchán. Tiputini. Pozos Auca 13, 14 y 15
- (47)- Flia. Trujillo. Pozo Sacha 18
- (48)- Flia. Troya. Voluntad de Dios. Pozo Yuca 12 y 13, y estación
- (49)- Flia. Yumbo. San Antonio. Pozo Sacha inyector 4
- (50)- Flia. Moreira. 11 de julio. Pozo Shushufindi 36 y estación Norte
- (51)- Flia. Gutiérrez. 18 de Noviembre. Pozo Shushufindi 26 y Estación Suroeste
- (52)- Flia. Mashumar. Recinto Dayuma. Estación Auca Sur. Vía Aucas.

- (53)- Flia. Ordóñez. Recinto 16 de abril. Pozo Shushufindi 33
- (54)- Flia. Conde. El Cóndor. Pozo Auca 2
- (55)- Flia. Arévalo. 18 de noviembre. Shushufindi, estación suroeste
- (56)- Flia. Lalangui. Enocanqui. Estación Sacha Norte 2
- (57)- Flia. Gaibor. 11 de julio. Refinería de Shushufindi
- (58)- Flia. Merchán. Tiputini. Pozos Auca 13, 14 y 15
- (59)- Flia. Manobanda. La Primavera. Pozo Shushufindi 56
- (60)- Flia. Yumbo. San Antonio. Pozo Sacha inyector 4
- (61)- Flia. Yumbo. San Antonio. Pozo Sacha inyector 4
- (62)- Flia. Masache. Centinela del Sur. Pozo Shushufindi 20
- (63)- Flia. Guanca. San Carlos. Pozo Sacha 83
- (64)- Flia. Matango. 30 de mayo. Estación Sacha Central
- (65)- Flia. Simbaña. Barrio Los Ángeles. Pozo Sacha 9
- (66)- Flia. Pinzón. Luz y vida. Pozo Shushufindi 30
- (67)- Flia. Nuñez. La joya de los Sachas. Pozo Sacha 20
- (68)- Flia. Molina. San Carlos. Estación Sacha Sur
- (69)- Flia. Ruíz. San Carlos. Estación Sacha Sur
- (70)- Flia. Águila. Nueva Jerusalén. Pozos Sacha 117 y 71
- (71)- Flia. Castillo. El Cóndor. Pozos Auca 2 y 40
- (72)- Flia. Encarnación. Los Vencedores. Pozo Aguarico 4
- (73)- Flia. Quesada. Dayuma. Pozo Auca 13
- (74)- Flia. Estrada. 28 de marzo. Pozo Aguarico 7
- (75)- Flia. Moreno. Justicia Social. Pozos Auca 9 y 17
- (76)- Flia. Bustamante. San Pedro. Estación Auca Central
- (77)- Flia. Aguilar. San Francisco. Pozo Cononaco 13
- (78)- Flia. Ramírez. Bella Unión. Pozo Sacha 2
- (79)- Flia. Yumbo. C. Voluntad de Dios. Pozo Guanta 9
- (80)- Flia. Shingre. Asociación Hermano Miguel. Pozo Yuca Sur 1
- (81)- Flia. Camacho. San Antonio. Pozo Sacha 59
- (82)- Flia. Sigurencia. Enokanqui. Estación Sacha Norte 2
- (83)- Flia. Ballas. 11 de julio. Pozo Shushufindi 49

## **The World's Geopolitics**

Oil is not only a source of energy it is also the raw material for thousands of products and above all it is the source of dividends which are the bases of an economic model, as is the case for all the countries where this resource is extracted.

As Barreda (2003) points out, oil is the fabric, which makes possible all the 20<sup>th</sup> Century metabolic networks integrated by the industries and the world commerce. Besides, crude oil provides the petrochemical basic material for the creation of thousands of diverse mediums of production and subsistence. All the 20<sup>th</sup> century world wars (the first and the second, the numerous conflicts between the capitalist and the socialist models, as well as between the post-war North and South and also the new conflicts following the fall of the USSR: Iraq's first and second invasion, Chechnya, Yugoslavia and Afghanistan), are conflicts associated with the hegemonic control of the world. To a greater or lesser extent they are associated with the control of oil.

The ChevronTexaco Company had played and still plays a central role in this strategy for the control of this resource. It is not a coincidence that in 2004 it received a US Department of Defence acknowledgement which considered them a company with the highest "Outstanding Rating" which is the highest recognition offered by the US State Department (ChevronTexaco, 2005).

Neither is it a mere coincidence the backing this company received from the US Secretary of State Colin Powell, who prized their corporative excellence in 2003, particularly for its “merits” in Nigeria. The prize awarding ceremony was carried out at the State Department in Washington DC on October 15<sup>th</sup> that year.

In this sense the company has played a determining role in all the critical moments the US has faced. It was involved in both wars against Iraq and it benefited from both. Texaco was the main importer of Iraq’s oil to the US, within the Oil-for-Food Programme. But in a perverse strategy of wars, which consist in hammering the civil population and taking by surprise the starving people; shortly before the invasion, the company decided it was not going to buy Iraq’s oil because in its opinion the country was unstable. In this regard Chris Cidez, spokesperson for ChevronTexaco said in May 2000, that this company would only buy Iraq’s oil if in the future there would be stability in the country (Accion Ecologica, 2000).

After the gulf war in 1990, ChevronTexaco went on to becoming the principal company in the dealing of oil contracts together with Total, PetroCanada, Sibneft and Sinopec, becoming the most important group in Kuwait. From then on, the company has managed to triple its presence in Saudi Arabia, especially over the control of the Partitioned Neutral Zone (PNZ). Although true that Chevron and Texaco have had a presence in this country since 1938, after the war they became the most important company there. By June of 2003, it was the sixth international oil company selected by the Iraq State Oil Marketing Organization to explore Iraq’s oil. As Ahmed Chalabi who directs the Iraq National Congress (INC) announced it to the international press, “*The North American companies will have great weight on Iraq’s oil*” (Washington Post, 2002).

The British newspaper The Guardian (11/13/2002) reported that Iraq’s National Congress had a meeting with three North American oil companies, including ChevronTexaco, to negotiate the control of the massive Iraq oil reserves. Even CBS in its program “60 Minutes” informed of the meetings between the INC and ChevronTexaco, reporting in March 2002 that Chalabi was working with friends of the president and vice president of the oil companies, promising to the executives’ preferential treatment to ChevronTexaco and ExxonMobil in post Saddam Iraq. The Middle East cannot get rid of the yoke from the North American and British oil companies, which since the 1930’s have been dividing among themselves, territories, and reserves, regardless of the cost.

### **The energy dependency of the United States**

The United States’ economy is oil. The “American way of Life”, their concept of well being, and its mere existence depend on this fuel. This is a dependency of more than 290 million people, who base themselves on a model of over consumption; the latest CD player, the latest play station, the latest automobile, fast food, bottled water, trash food, tickets to see football on Friday nights...everything, absolutely everything is contaminated with oil.

Oil, according to the energy expert Edward L. Morse, “*has proved to be the most versatile fuel ever discovered placing itself at the heart of modern industry*”. In the United States, oil provides 40% of the energy needed by this country (gas 24%, carbon

23%, nuclear energy 8%, and others 8%), which is used in various functions: it is the source of energy for the industry and for the heating of homes and schools; it is the raw material for plastics and a good variety of other products. Oil is the fuel used in cars, buses, tractors, planes, trains and boats (97%). The analysts coincide in saying that oil will continue to be the main source of energy for many years, since other resources are scarce (gas and hydro energy), and others very costly (wind, solar) or dangerous (carbon, nuclear). The prediction from the US Energy Department is that oil will continue to be used at the same levels as today until 2025, that is to say 41% (Klare, 2004).

The United States has made no efforts to end this dependency, ignoring evidence of both local and global environmental impacts. On the contrary, the campaign to extract more oil has led them to exploit their Arctic reserves, to weaken their conservation policies and to give more advantages to oil companies.

To the oil and of course to the oil companies that embark on the North American crusade of bringing it home, the US Administration provides the most favourable conditions. Therefore, if there are restrictions at home, such restrictions have to be eliminated. The motto of this and past governments have been to cooperate with this industry. The clearest way of cooperating is with direct or indirect subsidies to the oil industry from the US Government.

Greenpeace estimated that in 1995 only, the oil industry had received between 5.2 billion and 11.9 billion dollars. If to this, we add the costs for "defence" in the Persian Gulf the amount will be between 15.7 to 35.2 billion US dollars.

However, that was not the year where the highest military expenditure happened. If we would include the military costs for the 2003 invasion, the defence supplies, the strategic oil reserves provisions, and all the forms of support for the export of products related to oil....then the figure would be incalculable.

The United States are aware of the implications of having oil and the risks of not having it. US knows that governing without consensus is not possible and furthermore without the work of these companies. This is a lesson learnt a long time ago. Self-sufficiency in oil played a fundamental role in the growth of the US economy and its military supremacy. During the Second World War, the US was self sufficient in oil and they provided 6 out of 7 of the allies' oil barrels during the war, which made it the most prosperous nation in the world (Klare, 2004).

For the United States, it is clear that a lack of control of the hydrocarbon resources, which guarantee its security, makes them a dependent country and that this dependency translates into a dangerous weakness, especially at the expiration of the cheap and abundant fuel era. The majority of the giant reserves and super giant reserves have reached their peak. This information is hidden by both the oil companies and the US Government.

When talking about oil reserves it is important not only to know the amounts of the reserves, the only information which the companies and the State give, but also to know the condition of the deposit. If the deposit has reached its peak, it means it will be necessary to invest in energy, or water to allow the crude oil to flow.

The energy demand of the US requires 20 million barrels of oil daily. Its production and reserves are insufficient to sustain their life style, which they are not willing to give up or to reduce. Of each 100 barrels consumed in the US, 60 are imported, and by the year 2020 it will be 75 barrels of every 100. This country consumes half of the world's gasoline and they represent only 4-5% of the human population.

“The United States for a long time was the main producer of oil and until the 50's was responsible for half of the world's production. However, it has experienced a continual reduction in production since 1970 when it reached its peak. Since then the US has had to import ever more oil. Currently this country continues to be the main consumer of crude oil. With only 5% of the world's population, the US consumes 26% of the oil extracted in the world; it produces 11% of the world's oil and currently possesses 2% of the global reserves”. (Rifkin, 2002)

In April of 1998, the US dependency crossed the 50% benchmark, in this way the United States entered the 21<sup>st</sup> century as a dependent on foreign oil. (Klare, 2004). This dependency on crude oil made the US an importer of oil and its priority is to import, and it matters little where it comes from. What is more, the best conditions are provided when the governments or the States from where the oil is imported are desperate for foreign investment and support.

ChevronTexaco is accused of signing agreements and maintaining operations with sources of foreign oil supply that do not have a clean record of accomplishment. In other words, it is accused of ignoring the violation of civil rights or corruption, among other accusations (Ebel, 2003).

We will do well to remember this fact stated by Rockefeller: “the best way to exploit oil is an oil dictatorship”. If we had taken note of this it could have given us a clue of why dictatorships rose in Ecuador, Brazil, Venezuela, Nigeria, and Indonesia... (Galarza, 1981). However, things do not always result as planned and in fact, various military dictatorships eg Brazil and Ecuador declare a State monopoly on oil.

In the case of Ecuador, on the 11th of June 1963 it installed a military oil dictatorship, after the fall of president Arosemena, who the day before assured: “I make a toast to the United States people and not for its governments who are those who exploit us”. Within a year of the fall of Arosemena, on the 5<sup>th</sup> of March 1964, the army signed an agreement in which it handed over to Texaco-Gulf 1,431,459 hectares for exploration of crude oil. The government also relieved Texaco from the payment of taxes and repealed Decree No 11 that protected the country from the uncontrolled exploitation by foreign companies. It is the dictatorship of 1971, which nationalized oil, and created a national company even though Texaco was in charge of operations.

### **The United States' strategy**

As has been said, the US government is controlled by corporate interests and the presence of ex directors of large transnationals in key government positions.

Nevertheless, how do you explain, for example, the role of Dick Cheney, the country's vice president and owner of Halliburton, and ultimately the owner of information on oil and gas deposits in the world?

Halliburton is the largest oil service company at a worldwide level. It does not only explore on behalf of North American companies, but also for public and private companies in Venezuela, Mexico, Ecuador, Nigeria and Saudi Arabia. In all these countries therefore, it knows with enough certainty the size of the reserves, the life time of deposits, the quality of crude oil and the cost of extraction.

When Dick Cheney declares, "*without a substantial increase in energy reserves the US could face a threat to its national security and economic well being*" he has a plan, and that plan is executed. Condoleezza Rice, former Chevron's board of directors' member, and current Secretary of State is a central key element in the execution of the United States' energy policies. Wherever the oil they need is, she sends her star company: ChevronTexaco; and then the strategy over access of those resources is articulated.

As George Kennan a US diplomat, quoted by Chomsky, would say in the 1950's "We have to "protect our resources", which by accident happen to be in somebody else's territory but they're ours and they can't be the first beneficiaries, that's clear" (Chomsky, 2003).

What is true is that all the oil reserves around the world are a security issue for that country. National security and energy security are more or less the same thing. George Kennan formulated, probably, the clearest definition of national security when he stated that national security refers to "*the continued ability of this country to pursue its internal life without serious interference*" (Ebel, 2003). However the energy crisis started to be felt in California during the 2000-2001 period where the serious interferences started: electrical power failures, lack of oil, nervousness due to the fuel price increases, hyperinflation...

One of the first initiatives of the George W. Bush and Dick Cheney's administration in January of 2001 was the creation of the "National Energy Development Taskforce".... The results of this strategy became evident to the public eye when various companies and people such as Enron, Reliant and others were accused of committing offences in California during the so called "Energy Task Force Period". In May of 2001 the Cheney report became public, and with that the official energy policy was presented. A policy that consecrates the stealing of energy, military intervention, speculation and wars (Issue of Executive Intelligence Review, 2004).

The closeness of the Chevron and Texaco directors with the Bush administration is an important element to consider. Condoleezza Rice, was a shareholder and a member of the board of directors of this North American oil company. She was the company's top person in Central Asia. One of the super oil wells of ChevronTexaco was named after her. Chevron and Texaco's executives, before the merger of both companies, used to advise Vice President Dick Cheney on energy policies, through the Energy Task Force and the close links with the Council on Foreign Relations.



## Reserves and costs of extraction

According to a Colorado School of Mines study (Simmons and Hubbert, 2002), “The world’s 120 largest oilfields produce close to 33 million barrels a day, almost 50% of the world’s crude oil supply”. Of these, “the fourteen largest account for over 20%. The average age of these 14 largest fields is 43.5”. The study indicates that the majority of the giant deposits were discovered decades ago and that in the last 20 years, though thousands of millions of dollars have been invested in exploration, the results have been a failure. Between 1990 and 2000, some 42,000 billion barrels of new oil reserves were discovered worldwide. However, in the same period the world consumed 250 billion barrels. In the last two decades, only three giant reserves have been discovered whose daily production exceeded 200,000 barrels per day: Norway, Colombia, and Brazil. (Simmons and Gubert, 2002).

The planet has been explored and searched for over 100 years. It is very unlikely there will be important discoveries in the future, therefore the known reserves become strategic objects for the United States security.

According to Rifkin (2002), an important element of the already discovered deposits is the relationship between reserves and production. The R/P is the number of years that the oil reserves will last according to the current production rates.

*“In the United States, where more than 60% of recoverable oil has been extracted, the R/P is 10/1. In Norway the R/P ratio is also 10/1 and in Canada 8/1. However the R/P ratio in Iran is 53/1, in Saudi Arabia it is 55/1, in the United Arab Emirates its 75/1, in Kuwait it is 116/1 and in Iraq it is 526/1-- that means 526 years of oil at current production rates”* (Rifkin, 2002).

This therefore would seem to be the real reason of the orchestrated war *“in the name of freedom and against the hidden weapons of mass destruction”*. However, there is also another essential element, which is the rate of decline of production. A consultant firm in Geneva published in 1995 a study, which revealed that the majority of deposits in the world are in an accelerated reduction curve (Campbell, 2005) and that the peak of discovery was during the 1960’s. Position supported by Engdahl (2004), who in another study said that for every 4 barrels consumed only one is discovered.

This is information known and used by the United States Government. In fact, in a speech presented to the International Petroleum Institute in London towards the end of 1999, Dick Cheney, stated, *“There will be an average of two percent annual growth in global oil demand over the years ahead, along with, conservatively, a three percent natural decline in production from existing reserves.”* *“That means by 2010 we will need on the order of an additional fifty million barrels a day”*. This is equivalent to more than six times Saudi Arabia's current output. (Engdahl, 2004).

If, to the absence of discoveries of new deposit beds and the current process of decline of these deposits, we add the total unwillingness of having an energy transition process towards clean and decentralized sources and to the reluctance to pay attention to the environmental and social impacts, we have, in all senses, a disastrous scenario.

The fact is that the cost of extraction of crude oil in the world has increased significantly because now it is necessary to use energy, or water to maintain pressure, so as to achieve maximum production.

A clandestine handbook, which circulated in Beirut, attributed to Osama Bin Laden, talked about the cost of a barrel at 144 dollars. Strangely Matthew Simmons, energy investment banker and very close to the Bush/Cheney administration, backed a price of 182 dollars per barrel. David Coleman, from Oil & Gas (16/9/04), said that President Hugo Chavez assured that *“the price of the barrel could reach 100 dollars if the conflicts in the Middle East persisted (...) which are going through a destabilization phase due to the “illegal invasion of Iraq”*. The president of this country, which was cofounder of OPEC stated that, *“there is an excess of oil supply” and that a “price above 40 dollars was not OPEC’s fault”* (Jalife-Rahme, 2005).

In nearly all the economic analyses, the price of the barrel of crude oil is mentioned as a “tree digit” figure, which will affect all the countries, since all are dependent on the derivatives whose costs increase rapidly. The only beneficiary of these high prices would be the oil industry itself.

Of all the new oil deposit discovered within the western hemisphere the one of Cruz Beana in Colombia, in 1991 started producing, 500,000 barrels a day but by 2002 it had dropped to 200,000 barrels. In the mid-1980s, the Forty Field in the North Sea produced 500,000 barrels a day. Today it yields 50,000 barrels. One of the largest discoveries of the past 40 years, Prudhoe Bay in Alaska, produced some 1.5 million barrels a day for almost 12 years. In 1989 it peaked, and today gives only 350,000 barrels daily. The world's largest oil field, Ghawar in Saudi Arabia, produces nearly 60 percent of all Saudi oil, around 4.5 million barrels per day. To achieve this, geologists report that the Saudis must inject 7 million barrels a day of salt water to keep up oil well pressure (Engdahl, 2004).

### **Control over new oil deposits**

The North American strategy is to control all new deposits; to open up new frontiers, to spread out to all the corners of the planet. It is in that direction where ChevronTexaco has pointed its efforts. Today it is not only a matter of heading towards those that at some point were evaluated as great opportunities, today everything is in sight.

After the Gulf war, the strategy of the companies has changed. Niclas Hallstrom (1994) stated five reasons, which would determine why the companies would direct their efforts to the exploration and extraction of smaller fields. The first one is that it becomes a priority for the companies and importing countries to control resources, because of that, they would prioritize the smaller and more flexible concessions. The second is that it will require the development of infrastructure all over the world, since the crude oil demand would increase in new regions. The third point is that technology especially seismic technology would allow deeper explorations and at lower cost, which means that all deposits could be attractive. The fourth reason is to prioritize the operations outside the borders of the companies’ countries of origin, due to the stricter environmental and labour laws. Finally, the increase in crude oil costs would make more profitable the exploration of smaller fields and in less accessible areas.

In December of 2002, in contrast to the initial predictions about the reserves of the Caspian fields, the US State department announced that the Caspian reserves were not 200,000 million barrels as was originally thought, but only 39,000 million barrels of crude oil, and besides that, it was the heavy crude oil type (Engdahl, 2004).

Although ChevronTexaco has interests all over the world, including the United States its greatest economic growth is in the southern hemisphere. Regions such as Africa, Latin America and Southeast Asia, are key, since its dependency on Middle Eastern oil staggers, not only because of the failure in Iraq, but also because Saudi Arabia is opening up towards Asia particularly Japan, China and India. Aramco has concentrated half of its business in Asian countries where the majority of its offices are.

*"We consider Asia a strategic market with growth potential, and believe it will become even more so, especially with the growing energy demands of China and India,"* said the regional vice president of Amarco in Singapore (Vatikiotis, 2004).

The countries of the Middle East consider that they are being watched especially by the Arab world, because of their closeness with the Western world, which is why they prefer to consolidate in other regions. Also according to the company, there is a great market waiting in these regions, as it would seem from available information on oil (Vatikiostis, 2004).

It seemed logical that the Saudi companies direct their sight to countries such as China, as it is the second oil importer after the United States. Above all because around 10 years ago China produced what was needed in energy for self-consumption, today it has displaced Japan in terms of oil imports.

Although strategic alliances have existed for a long time with ARAMCO, this company is defining its own geopolitical strategy. This marks a new geopolitical strategy for the Asian region, it is within this context that ChevronTexaco decided in 2005 to buy UNOCAL, a company that has a big importance in the region.

UNOCAL operates particularly in projects of exploration and production in Thailand, Indonesia, Myanmar, Bangladesh, Holland, Azerbaijan, Congo and Brazil as well as in the Gulf of Mexico. This transaction would allow the company to consolidate itself as the most important company in the Asian-Pacific, in the Gulf of Mexico and in the Caspian region.

The role of ChevronTexaco in the geopolitics of oil is critical for the United States and this is explained by its advisory role in the strategic energy policies of the country, as well as in its field operations.

For the 2000 election, Chevron and Texaco contributed a total of \$1,556,234, of which 75% went to the Republicans, including George Bush. In 2002 ChevronTexaco was second in total contributions for the oil and gas industry, buying \$1,177,305 in influences. These contributions combined with the long-standing links with government officials translated into political influences going from the derogation of environmental regulations to the access of rich gas and oil resources in the Caspian Sea and in the Middle East (Business Wire, 2002).

Additionally ChevronTexaco is a financier of the Council on Foreign Relations (CFR). This is a foreign policy entity thought on the bases of the interlinked interests between the government and the industry. The CFR provides political advice as well as resources to the Bush Administration. The director of ChevronTexaco, Carl Ware, sits on the board of directors of the CFR, as did the former Chevron director and current National Security advisor, Condoleezza Rice, and the ex-vice president of ChevronTexaco, Richard H. Matzke (Business Wire, 2002).

Control over the deposits implies control over the territory where these deposits are. The control of these territories has left behind a history of human rights violations and the destruction of entire communities.

Who imposes the law, in alliance with usually the same repression forces; military and paramilitary forces, it is the company.

An illustrative case is that of Nigeria, where huge deposits of gas and oil are found.

### **Piercing the veil: The unmasking of ChevronTexaco**

By Nnimmo Bassey

ChevronTexaco stands accused of committing atrocious acts of human rights abuses in three communities of the Niger Delta located in Southern Nigeria in 1998 and 1999. The first incident was recorded on May 28, 1998 at Parabe (in Ilaje community of Ondo State of Nigeria) while the other two were orchestrated on 4 January 1999 at Opia and Ikenyan communities (both in Delta State of Nigeria). The assaults involved firearm attacks on unarmed people and communities, summary executions, torture, abridgement of human rights and wanton destruction of lives and properties. Following these, a case was instituted in a US District Court against ChevronTexaco Corporation seeking damages and injunctive and declaratory relief for the abuses suffered.

### **ILAJE Community**

ChevronTexaco Corporation began crude oil operations as Chevron Nigeria Limited in Ilaje communities in 1962 and commenced actual oil exploitation in 1968 at the Okan Oil field. Other oil fields such as Meren, (1and 11) Parabe, Isan, Malu,Ewan, Opollo, Opuekaba were added from 1968 onwards. Up to 20% of ChevronTexaco's total oil production in Nigeria comes from the Ilaje communities.

As is well known, crude oil extraction processes are not environment friendly and wherever oilrigs are set up hopes for a rosy future soon dims into gloom, and often doom. This has been the experience of the Ilaje as well as Opia and Ikenyan communities. Up till the time of the incident under review, the people of Ilaje could only point at the oil giant's contribution to their environment in terms of a wooden Secondary School for the 42 communities stretching over 60 kilometres along the Atlantic coast<sup>5</sup>, two (2) jetties and one bore hole (that was out of commission.) This was achieved after 30 years of continual oil exploitation from the communities. In the same period, the oil company out of about 2500 Nigerians working for the corporation had employed only two people from the community.

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<sup>5</sup> Ilaje communities are 15 miles from the Atlantic Coast.

In a very important admission of aiding corruption, a Chevron official who played a role in the debacle stated in his declaration to the court in support of the Chevron's motion for summary judgment (Phase One) that "CNL and its contractors tried to hire as many community people as possible and often also hired 'ghost workers' such as community members who were not needed for a project or who lack the relevant skills. These are also members who were put on the payroll even though they were not expected to report for work." He went on to declare that in order to make these crooked arrangements they had to identify the communities' representatives, and that it was extremely difficult "for us at CNL to distinguish legitimate representatives of the host communities from individuals pursuing their own schemes of extortion or fraud." (Davis, 2003).

Three issues arise from these assertions. First is the encouragement of fraud by doling out salaries to persons who do no work. Secondly, by their admission, their recognition of community leaders is arbitrary and cloudy. This is so possibly because they do not rely on community structures and prefer to erect parallel ones. Thirdly, these two readings add up to build tension in the communities, divide the people and build a 'standby crowd of loyalist' or 'reserve army' for use of the oil giant. This is the pattern for divide, rule and exploit used by oil companies operating in the Niger Delta.

As the people watched, their environment and their livelihood were being literally washed away. The degradation of their environment included loss of fresh water sources as the oil giant making way for their equipment to be brought inland from the sea was opening numerous canals. Because of the destruction of fresh water sources, some Ilaje people have to trek over 20 kilometres to find potable water or resort to a borehole built by Chevron at Opuekeba. The borehole at Opuekeba was made for the purpose of cooling Chevron's gas turbine and the people fetch the hot water that comes from this installation and must wait for long periods before the water-cools and can then be put to use (Ajidibo, 2003).

Gas Flares constituted another cause for concern. Most community people are fishermen/women. Frequent oil spills make fishing by the people a very unpredictable enterprise. The oil giant's seismic activities add more challenges as they directly affect marine life. All these have meant that the fishermen have to go much farther out to sea before they can reasonably expect to make a reasonable catch.

### **Talking to a giant: ears too far from the ground**

The local people needed to have deep discussions with ChevronTexaco over their environmental and livelihood concerns. Efforts were made directly and also through the government apparatus to bring the oil giant to dialogue with the people. The efforts yielded no results as the oil giant would not give heed to the people or to the government.

Community youths decided to embark on a peaceful protest against Chevron on 25<sup>th</sup> May 1998. This was staged by 121 youths on a barge attached to CBL 101 otherwise known as the Parabe platform. On 26<sup>th</sup> May, Mr. Deji Haastrup (Community Relations Manager) of Chevron met with the Youths on CBL 101. This platform is about 15 kilometres off the coast of Ilaje land.

The youths requested that he should go on-shore and negotiate with the elders who were waiting at the Ikorigho community. The officer met with the elders at Ikorigho on the next day. The demands the people made on the oil company included the:

1. Restoration of their environment to its natural state.
2. Employment for community youths.
3. Location of an operational office or tank farm in Ilaje land.
4. Construction of an embankment to check sea incursion and coastal erosion.
5. Provision of social amenities such as a model school, potable water supply, and a town hall as Chevron often complained of a lack of meeting venue in the community.
6. Negotiation for any work to be done in Ilaje land.
7. Compensation for loss of fishing grounds to the elders.
8. Giving of more scholarships to the youth.
9. Appointment of indigenous Ilaje contractors as permanent contractors, as was the practice in other states of Nigeria.

The officer informed the people that he had to return to their head office for consultations and that he would give them the company's response to their demands on the 29<sup>th</sup> of May 1998. When this information was relayed to the youths on the barge, they decided that they would discontinue their protest the following day and return to Ikorigho to be a part of the negotiations that they expected would happen on 29<sup>th</sup> May.

Events took a different turn on 28<sup>th</sup> May 1998 and are captured in the words of Bola Oyibo, the leader of the protesting youths (see box) in a testimony<sup>6</sup> he gave to the Environmental Rights Action (ERA). Of the 121 youths who were on the platform two were shot dead while at least 30 others had gun-shot wounds. They were shot by soldiers who landed on the Parabe platform by 6:30 am in three of Chevron's helicopters. The soldiers reportedly shot at the youths indiscriminately and the unarmed youths simply had no chance. The fact that the youths were not armed is confirmed by Chevron's declaration where they state in paragraph 19 as follows:

- a) *We understood that the intruders still did not have firearms as of May 27; but ... we did not know for how long that would be the case.*
- b) *We also understood that, as of May 27, the helideck on the CBL-101 barge had not been blocked with debris by the intruders, as had the helideck on the Parabe platform; but again, we did not know for how long that would be the case (Davis, 2003).*

In the said declaration filed by Chevron, they also state as follows: "CNL sought help from the Nigerian military, as well as the police, because we understood that the Nigerian Navy had jurisdiction over the offshore Parabe platform and because we did not believe that the police alone could recapture the platform. We agreed to transport the rescue force in helicopters under lease to CNL/NNPC joint venture, first because the

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<sup>6</sup> Born July 10, 1965, Vincent Ifelodun Bolarin Oyinbo, popularly called Bola, died suddenly in Lagos, Nigeria, in the wee hours of Thursday, July 19, 2001. At the time of his sudden demise, Bola was working on a book under the working title of *A Cry for Help*, which is a collection of articles and two poems called *My Home and Mr Crude* on the struggle of the Ilaje for environmental justice, resource control and self determination; the national question and the Niger Delta crises.

Nigerian authorities had no helicopters of their own and second because they had no pilots capable of landing a helicopter on an offshore facility (Davis, 2003).

### BOLA OYIBO's Testimony

I led **one hundred and twenty one (121) youths** drawn from 42 communities to **PARABE platform** to protest against the continuing destruction of our environment by Chevron. This was after all our other methods of making our grievances known had failed. For example, due to our letters of protest and several emissaries, the Military Administrator of Ondo invited Chevron and us to a meeting on the 7<sup>th</sup> of May. **Chevron refused to show up**. Also we had a meeting with the Director, General Political and Economic Affairs in Akure. We submitted memos and detailed information. **Chevron was not there**. When we returned home we called them for a meeting at Opuekaba on the 15<sup>th</sup> of May. **They did not show up**. We wrote them complaining that they are disregarding all peaceful avenues for dialogue. **They did not reply. They ignored us**.

Over the years, **Chevron has consistently waged a war on our land, forests, and waters**. Go to Awoye community and see what they have done. **Everything there is dead**: mangroves, tropical forests, fish, the freshwater, wildlife etc. All killed by Chevron...They destroy Ilaje environment in Ondo State and **pretend to be environment friendly** in Lekki in Lagos State. At **Abiteye, Chevron discharges hot effluent into the creeks**. Our people complain of "dead creeks".

So, on the 25<sup>th</sup> I led 121 youths to PARABE PLATFORM. Twenty persons including myself went on board. We met an officer of the Nigerian Navy. **Chevron uses the military and imported security people from abroad in all its operation in the Niger Delta**. I told him our mission. He said he would have to take us to Mr. Daves, a Chevron representative. He also called the Chief Engineer, Mr. Stevens. We all stood on the barge. I addressed them on the issues. I told them of the letters we had sent over the years, the numerous entreaties for meetings and how we had been ignored. They promised to do something immediately.

(After some discussions)...I gave them the consent to continue their work, which had stopped on our arrival. The next morning, Tuesday 26<sup>th</sup> May, the workers continued to work. Ideally, they should have stopped work until the officials we had asked came for discussions. However, we allowed them.

Mr. Deji Haastrup arrived at 1.30pm in a Pan African Airline chopper painted blue and white. Lanre Boghotu, Olorunfuyi Gbose and myself met with Deji. After our discussions, we told him to go to Ikorigho Community and meet with the elders and the community there. [The elders were monitoring the state of events from Ikorigho. They were awaiting word that Chevron would come to meet with them.] There and then, he scheduled a meeting for next day, Wednesday 27 at 10.am. He promised the Naval officers and Mr. Dave that all proceedings of the meeting will be relayed back to them. He left at about 3pm. At about 6pm someone came from the community to confirm the report as to whether Deji will be coming for a meeting. We said yes. He returned to the community to inform them of the meeting.

On Wednesday the 27<sup>th</sup> at 11am, the white man, Mr. Dave, called to say that he has not heard from Deji or the promised relay of the proceedings. We said let's us wait.

Meanwhile work was going on. Every hour, Mr. Dave will come to give us information. At 5pm I called Opuekaba to know whether Deji was still at Ikorigho. They said Deji was still there and that the reason he did not relay proceedings [of the meeting] was because his [telephone] battery may have run out. Not quite long —at about 7pm— someone came from the village with minutes of the meeting wherein Deji promised to come back Friday the 29<sup>th</sup> with senior officials. Deji had gone to Ikorigho with one Sola Adebawo and a mobile police officer to hold talks. On getting the information, I left the platform to relay the message to my colleagues and that we must prepare to leave the barge the next morning so that we can all be at the crucial meeting with Chevron. The barge was tied to the platform all this time.

The next morning -Thursday the 28<sup>th</sup> day of May- just as we were preparing to leave we saw three helicopters (choppers). **They came like eagles, swooping on chickens.** We never expected what followed. As the choppers landed one after the other discharging soldiers, what we heard were gunshots and fire. **In fact, they started shooting commando style at us even before they landed.** They shot everywhere. **Arulika and Jolly fell. They died instantly.**

Larry who was near him rushed to his aid, wanting to pick him up, **he was also shot.** More soldiers came and more shooting followed. Some of my **colleagues jumped over board into the Atlantic;** others ran into the platform. There was pandemonium. They shot teargas. White men flew all the helicopters. Somehow, the anchor between the barge and the platform was severed. I was by this time in the platform with some of my colleagues. We were defenceless, harmless.

....45 minutes later another chopper came. There were 4 soldiers inside. From my position, I took photographs. **They also joined in the shooting for another hour.** This time they were shooting into the air and shouting like cowboys attacking Indians that were caught unawares. The workers on the platform demanded to be evacuated. They were all flown to MEREN platform. They saw me and wanted to shoot me. Lt. Commander Williams shouted at them not to shoot. The army Captain who led the operation seems to have only an eye (it could be a disguise) for he had only one eye closed in black one-eyed specs. **On his chest, area was written “Military Action”.** He ordered most of my colleagues to be locked up in a container.

Larry was first taken for first aid at Escravos tank farm. **He was shot in the stomach, the legs, and elbows.** It is not clear whether the injury in the stomach was a gunshot or bayonet [wound]. **They also flew the corpse of my colleagues away.**

.... By six O'clock when “Lamnal” tugboat came, they opened the container and marched my colleagues and me into it. They handed us over to the naval officer who then took us to Warri. The journey was not a straight one. First, we were taken to Escravos, the Chevron operational headquarters, where we may have been secretly photographed. Later we were transferred in a sea truck to the Warri Naval base. We arrived at Warri at 2 a.m. Lt. Femi asked the adjutant to lock us up. Eleven (11) of us were detained.

Most of us who went for the peaceful protest were injured. **At least 30 people received gunshot wounds.** Several of **our engine boats and fishing equipment were destroyed.** We got information, **that Chevron had lodged a complaint against us**



**that we are pirates** and that the mobile police would be coming to take us to Akure for prosecution.

On the 31<sup>st</sup> of May, a Mobile Force truck was brought from Akure to convey us. We arrived at Akure at 11pm. Then we were marched to a deputy commissioner. She instructed that we be taken to a police cell.

On the 1<sup>st</sup> of June, we were again taken to the commissioner's office. From there we were taken to the State Intelligence and Investigation Bureau (SIIB) and again subjected to interrogation by one Assistant Commissioner Okore. Then he directed that our statements be taken. Mr. Oke took my statement. **By 4pm that same day we were again marched into the cell, meant for criminals and people of violence.** My colleagues and I were none of these.

We have committed ourselves to the fight against environmental degradation, social and economic injustice in our land. Chevron paid soldiers to kill us and has bribed the police to keep us away.

My colleagues and I were in that cruel cell until Monday 22/6/96 when we were let go. Our struggle continues.

Chevron claims that the soldiers shot the youths in self-defence.

### **OPIA and IKENYAN communities**

The incidents at Opia and Ikenyan communities occurred on January 4, 1999. The situation here was slightly different from the build-up at Ilaje mainly because these are much smaller communities. Although the communities did not pursue the issue of dialogue with Chevron in the dogged manner the people of Ilaje did, they equally faced situations of horrendous environmental degradation arising from the activities of the oil giant. After being rendered less than effective in their fishing occupations, the people sought contract jobs and other menial engagements with the company.

It is important to note that the attacks on these communities took the people completely by surprise, as there were neither protests nor any form of actions by the community to provoke such a brutal and well-planned assault, this the stuff that fiction is made of, but this is stranger than fiction.

Act one: a Chevron helicopter (leased to Chevron by Pan African) from a military base located within their (Chevron's) facilities at Escravos flew low, over the Opia community. As expected, this drew a crowd of curious villagers from their houses to the waterfront. The helicopter flies away. In the Chevron declaration already cited, they aver that on January 3, 1999, some Ijaw men demanding "protection money" approached troops guarding the Searex rig in the Opia area. They also state that the following day they received a distress call from the troops at the rig reporting that they were under attack and "requesting reinforcements. The troops sounded desperate and I heard screams, intense gunfire, and an explosion in the background." This official approved the use of two helicopters to transport reinforcements to the drilling rig" (Davis, 2003).

Act two: The people hear the sound of an approaching helicopter and expectations of soon knowing what a high profile Chevron visit would bring draws more people to the water front. The helicopter swoops down, like a hawk aiming for chicks. Some persons began to shoot at the crowd from the hovering helicopter, killing Kekedu Lawuru on the spot and injuring several others.

Chevron's official's declaration states at paragraph 28 (b) that "a third Pan African helicopter had departed from Escravos carrying, among other passengers, Captain Kaswe and a CNL security employee, Reuben Osazuwa, and that Captain Kaswe had fired several shots from the helicopter while it was in the air" (Davis, 2003). This official also declared that he never got a report that anyone was hit by the shots that Captain Kaswe fired from the helicopter.

Act three: As the Opia people scampered for safety in utter bewilderment, the Chevron helicopter turned its murderous focus to the nearby Ikenyan community. The people were gathered. Some say they heard sounds of gunshots from the direction of Opia. Now they saw the Chevron helicopter coming over and they assumed something good was heading their way. Having a Chevron helicopter fly by their village was nothing new. Hands were waving already in salutation to the oil giant workers. Again, gunshots were fired at groups of unarmed villagers. At least one person died on the spot.

Act four: For Ebiere Eferasua who was 7 years old as at then, this was a day that would be permanently seared on her memory. She was standing by her grandmother, Bripale Uroupa, gleefully waving at the helicopters. Agents of Chevron, from Chevron's helicopters, shot both Ebiere and her grandmother. Both Ebiere and her grandmother sustained serious injuries. Her grandmother later on died as a result of injuries and the trauma sustained on this fateful day.

Act five: Back to Opia. As the people were trying to make any sense of what was happening to them, the roar of sea trucks reached their ears. As they looked they saw that one of the sea trucks had a machine gun mounted on it. This was not a friendly visit. The trucks conveyed Chevron personnel and their military/police agents. Before arriving at Opia, it is believed that the boats met Madam Timi Okoru in her little fishing boat with her children. She was never seen alive again.

Act six: The sea truck with the machine gun docked at the main waterfront area of the Opia community. Many villagers were injured in the shooting that ensued. The military personnel jumped out of the sea trucks chanting war songs and shooting indiscriminately at the scampering people. Shadrack Oloku was shot dead. Most of the houses in the community were razed down by the rampaging troops.

Act seven: The orgy of bloodletting and destruction did not end there. The sea trucks turned and headed to Ikenyan. Using the same tactics employed at Opia, the troops assaulted the community taking the lives of Chief Agbagbaedi Ikenyan and Bright Babulogba. Also killed was Monima Otee who died in the fire set on the house in which she sought refuge.

Act eight: Not willing to take prisoners, a fleeing elderly man was allegedly captured by the military officers, dragged to the waterfront and executed in the presence of the officials of Chevron.

At the end of the day, the people of both the Opia and Ikenyan communities had become environmental refugees due to the oil giant's assault and emphatic lesson that they were lords over every territory where crude oil and gas may be found. The oil giant made it emphatically clear that they would not brook demands for employment or compensation for their severely degraded environment. The assaults on Opia and Ikenyan left in its wake destroyed church buildings, religious shrines, homes and water wells. Livestock was not spared either. The canoes and fishing equipment with which the survivors would have picked up the pieces were equally destroyed.

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## **ChevronTexaco's Internal Strategies**

ChevronTexaco is a company with almost limitless resources at its disposition and with which it can impose its conditions and achieve its objectives. It manages a work force of 53,000 people and has activities in 180 countries.

ChevronTexaco is presided over by David J. O'Reilly and counts on its administration council with both Carla Anderson Hills, Bush's father's negotiator for international free commerce, as well as the ex-senator San Nunn, who presides over the Center for Strategic & International Studies (CSIS) where vice-president Cheney plays a central role and who has always defended the Iraq invasion (Lepic, 2005).

### **The companies' merger**

As a result of the merger between Chevron and Texaco in October of 2001, Texaco became Chevron's subsidiary and changed its name to ChevronTexaco Corporation. The board of directors of the company was reconstituted which included old directors of both companies.

On the 4<sup>th</sup> of April 2005 ChevronTexaco announced the acquisition of UNOCAL in a transaction valued at \$18 billion, which amounts to a 15% increase in the company reserves. (ChevronTexaco, 2005).

One of the company's strategies has been to strengthen its alliances. Although Chevron and Texaco had good relations for about 80 years, they merged in 2001, after having incorporated other companies such as Gulf bought by Chevron and Getty Oil bought by Texaco. In 2005, ChevronTexaco incorporated Unocal.

The idea behind the merger is to expand markets, to have more influence, and to share the workforce. In this sense, over the last few years we have witnessed the merger of large oil companies to form mega companies, as it is the case of Exxon-Mobil, BP/Amoco/Arco, Elf/Total/Fina, Chevro/Texaco, YPF/Repsol, Conoco/Petrocanada, as well as the merger of many small companies. Others have formed societies with state companies such as the case of Petronas (Malaysia), Amerada Hess (US) and Premier (UK). Others have worked in very close collaboration or as joint ventures as it is the case of Texaco and Chevron that work as Caltex in Asia (Comstock, 2000).

The merger between Chevron and Texaco made it the largest California Company, controlling 40% of the state's oil refining capacity, generating annually \$80 billion in profits. The merger allowed it so save \$1 billion in combined operational costs. These are the numbers but they only speak of just a part of the story (Townsen, 2000).

The acquisition of Texaco brought savings to Chevron through avoiding duplications of infrastructure and because of the possibility of combining interests in the field. For example, in Kazakhstan, the Tengiz project of Chevron was made easy, because Texaco was also present there. The combination of both companies will also be a decisive factor because of the strengthening of its presence in the African region where Texaco has new offshore discoveries, in the Agbami field. Texaco also has an important presence in Venezuela, and natural gas interests in the Philippines, while Chevron has important

interests in Indonesia. The merger agreement between Chevron and Texaco is worth \$36 billion dollars (Rivera, 2000).

The merger of Chevron and Texaco generated strong discussions. For North Americans whose religion is the market, the antimonopoly laws were being washed away, those, which ensured in 1911 that the Standard Oil was divided into 34 companies. The rebuilding of the old Standard was foreseen, that one where Rockefeller imposed prices and exercised political influence.

Under all the analysis done, this merger destroyed some of the principles of the market economy, or put it in a different way; it unveiled them, and showed that the ideas of competition, democracy and of social and environmental responsibility are myths.

For the US consumers who believe they already pay high costs for gasoline, prices will continue to increase due to lack of competition. Democracy will also lose because these mega companies can gain more influence in the political processes. Finally the environment will lose too because these two companies have an aggressive anti environmental agenda. Chevron is one of the four companies that pressure to open up concessions in the Artic refuge and it attempts to drill a well in the Florida peninsula (Athan, 2000).

However, this policy of mergers, which generates deep worries, also involves banks, and the movement of these in the raising of capital generates the anxiety that monopolies are already a tangible reality almost impossible to destroy. Thus, for example the main financial groups of that country have come together. The United States lean on these fusions for the reorganization of regional markets and for the appropriation of natural reserves and of the energy industries (Barreda, 1999). While the companies state that with these fusions they achieve “operational synergies and the reduction of corporative expenses” (ChevronTexaco, 2005), the reality is very different.

*Today's J.P.Morgan-Chase corporation is the addition of the Morgan and Rockefeller Groups. The merger of the Chase and Manhattan banks was later followed by the absorption of Chemical Bank, which became the main Colombia's creditor. Later the Rockefellers acquired Manufacturers Hanover Trust, which was the leader of a financial group, and finally achieved the merger with J.P. Morgan.*

*The Morgan-Chase board of directors provide a picture of the network group weave around it. Its members are as well directors of other notorious transnationals: Exxon-Mobile, also inherited from the Rockefeller group; BP-Amoco, General Electric; the pharmaceuticals Merck and Wyeth; Bechtel, the pipeline and oil pipeline builders,...*

*Their most powerful rival group is Citigroup (Citibank), with participants Alcoa, Dupont, Zankel, Ford, Chevron-Texaco, which now has an ex director Condoleezza Rice, in the Bush administration, as well as AT&T and United Technologies that produces half of the helicopters for Plan Colombia and whose main field is the military industry. Other two Citibank directors are also from Mexico's Banamex, the Citibank arrowhead in Latin America and in the Free Trade negotiations. Another director is from Halliburton company whose former CEO Richard Cheney is now Bush's vice-president, and which gathers directors from Phillips Petroleum, Chevron-Texaco,*

*Exxon; Pfizer laboratories (now Monsanto headquarters); Readers Digest; Pepsi Cola; Vinnell Corporations, a military industry transnational company TRW.*

*An intermediary economic group, which combines directors from those previously mentioned, is the Carlyle Group, where the Rand Corporation participates, a political and security consultant known in Colombia for having recommended the creation of large-scale legal paramilitaries. Rand's board gathers prominent executives, one of which is the former president of Citigroup, John Reed, another is Frank Carlucci, former Bush's father's secretary of Defence and president of the Carlyle Group which invests in the military and aerospace industry... On October 8<sup>th</sup> 2001 the Wall Street Journal disclosed that the Bin Laden family had large investments in the Carlyle Fund and had obtained huge profits.*

*Enron was linked to half a hundred high officials of the Bush administration and... Overcharged the costs of electricity to plunder Californian consumers... a co-author of the California fraud was Dynegy -whose main shareholder is Chevron-Texaco- (Mondragon 2002).*

The presence of second and third-line economic groups in no way reduces but instead confirms the articulation of global power around Citigroup and J.P. Morgan-Chase. According to Mondragon (2002), the core of the Bush administration comes from these megagroups, especially from Citigroup in which ChevronTexaco participates. Bush is its man in the White House. Latin America's administrations suffer the same process. Next to the large land owners that still reach the presidential sit are the officers and lawyers of the mega group corporations. J.P.Morgan-Chase played a great role in the Argentinean crisis. Citibank has always had an influence in Colombia, from its control of the coffee world market and today express in thousands of ways.

### **Technological applications**

Since it is not a company with either social or environmental interests, the only technological developments are of technologies used for the deep drilling extraction and for the extraction of heavy crude oil. Through that way the company has acquired experience in offshore activities of heavy crude oil which until recently was unappreciated. In this area, ChevronTexaco had already obtained some experience with the cases of Venezuela and Canada (Athabasca Tar Sands), however the offshore heavy crude oil operations are relatively new and is an area to which this company currently is getting into.

It has also developed a type of technology that allows them to reach up to 1.6 kilometers in depth, which has allowed them to have access to oil reserves that imply the greatest oil resource since the Middle East started its production during the 30's.

In 2001 the United States Interior Department, announced that *"With this technology oil production in the Gulf of Mexico alone could rise to as much as 1.8 million barrels a day an equal to the daily output of Kuwait"* (Liesman, 2000).

Exploration today is focused on deep water drilling mainly in the Gulf of Mexico, Brazil, and West Africa. The technological developments done by the industry have

been centered on how to reach reserves that previously were not commercially viable due to extraction costs.

Contamination in the Gulf of Mexico, for example is dramatic. The largest oil spills in the world had happened there. In 1970, the Ra expedition across the Atlantic Ocean reported that out of the 57 days the trip lasted, in 43 of them the sea was visibly contaminated with pieces of solidified oil, liquid oil and other kinds of waste.

In 1979, in the Gulf of Mexico the greatest oil spillage into the sea occurred from the Ixtoc-1 oil well. It took 8 months to cover the leakage and almost 700 million litres of oil were spilled into the Gulf's waters. We have to take into account that the volume of oil spilled in occasional oil spillages is less than the volume of oil released during normal operations, such as the rinsing of oil tankers with seawater and of the water contaminated with oil that is dragged by the ocean.

ChevronTexaco is building "Puerto Pelicano", which is a reception terminal for oil tankers of LNG, which includes storage installations and re-gasification of LNG and includes a sea oil pipeline to supply natural gas to the interstate network of gas pipelines in the United States.

The terminal will be 13 Km from the coast of Tijuana, with a processing capacity of 19.8 million cubic metres daily (700 million cubic feet) of natural gas.

Another severe case of contamination is the lake of Maracaibo. In 1945 Chevron discovered the Boscan oil field located on the west coast of Lake Maracaibo, operated until 1979 when the Caribbean country nationalized its energy industry. Since the 1<sup>st</sup> of July 1996, Chevron returned to become the operator of the Boscan Field under an operations agreement with PDVSA. Another old deposit is LL-652, located in the heart of Lake Maracaibo. According to MARNR (1995), despite the wastes from the oil companies and El Tablazo petrochemical company, and even though they have caused disasters, they have received new oil contracts.

The new technologies are rapidly converting all countries into oil producing countries even when there are only small reserves, deep deposits, or heavy crude oil to be found, these can now be extracted.

But the technological advances imply prospecting costs, which supposedly are part of the investment the companies take on board, however the companies almost always find another (normally the State) to whom they transfer these costs. For that reason, in areas where new technologies are being investigated or developed the companies pressure or lobby to obtain better fiscal conditions or direct or indirect subsidies. In deepwater drilling for example, they have accomplished that, exploration operations do not need to pay any type of royalties because the fiscal systems are very flexible.

ChevronTexaco is sure that the reduction in royalties translates into greater profits and with this; a rapid recovery of investment costs is achieved. Due to the use of these techniques the states expand their reserves. The minerals management service says that with these measures it will be possible to double the Gulf of Mexico's reserves (US Minerals MS, 2002).

The company is carrying out important investments in gas, since it believes that is in an area where the new company will carry out most of its transformations. Neither Chevron nor Texaco has previously had an important interest in gas.

Currently the company has three regions of operations. On the one side, Australia where they are the owners of the largest deposits and have interests in the future gas pipeline network that is planned. In Western Africa, they possess large reserves in Nigeria and Angola and besides that, they are investing in the West African gas pipeline. In Latin America, negotiations are picking up speed in the Colombia and Venezuelan gas pipeline. ChevronTexaco is applying an old strategy previously developed by Standard, the one of control over transportation in order to define the regional market and to assure extraction fields. One of its vice presidents stated that gas will become the most important constituents of the company (Roberston, 2002).

### **Planetary expansion**

ChevronTexaco manages two large markets, the one of crude oil and the one of its derivatives. In both cases, its strategy has been to expand and reach to all areas of the planet. Its lubricants and distribution stations are present in nearly all the cities of the world. In fact, this was Texaco's objective.

In Africa, ChevronTexaco has presence in 50 countries. It is the North American company with the bigger presence in Sub-Saharan Africa. In Angola and Nigeria, it has carried out the most important investments for 2005.

Peter Robertson, vice president of the company, announced that the capital and budget that will be destined for exploration operations in 2005 has been set at 10 billion dollars. Its executives consider that at a global level the Angola and Nigeria operations are ChevronTexaco's two main projects (Lopez, 2005).\*

For ChevronTexaco, Nigeria is their most important operation, where the Escravos Gas Project and the biggest deep-water operation of Agbami take place. In Cabinda, Angola, it extracts deep-water crude oil and explores a gigantic gas project. In the Democratic Republic of the Congo ChevronTexaco, extracts 70% of the national production of crude oil. In Ghana/Togo/Benin it is part of the consortium, which builds the West Africa Gas Pipeline. In the Republic of the Congo, it has interests in the Nkossa and Kittina fields. In Cape Town, South Africa Caltex manages the continent's biggest refinery (Chevron Texaco, 2005)

Since West Africa is of such great interest for the United States it can be understood why President Bush visited the area and reached agreements to establish military bases in the islands of Principe and Sao Tome.

In Western Africa, it operates as Caltex, including Botswana, Burundi, Comoro Islands, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius Islands, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

Its interests in Latin America are clear; it is a very active company in the region. It manages the Chuchupa gas project in Colombia where 80% of the country's gas comes



from. In Venezuela, the company manages the Boscan (LL-652) fields and has recently signed a contract for the extraction of heavy crude oil at the Hamaca field and at the Deltana platform. In Trinidad, it controls the gas field of Dolphin. In Brazil, it has operations in the Campos and Santos basin. In Argentina, it manages the Trapial field largest discovery of the last 15 years; among its interfaces is the Oldeval Pipeline (ChevronTexaco, 2005).

Its strategy includes becoming the main partner of PDVSA a Venezuelan company, even though conflicts between Chavez and the Bush administration exist. From this position, it tries to manage the main energy interconnection projects that will connect north and South America. ChevronTexaco's headquarters in Latin America are in Caracas.

In relation to Mexico, Cheney presented in his final report about energy his strategy to create a NAFTA energy, which under the principles of the "free market", would allow the United States access to the energy resources of the member countries (Mexico and Canada) (Cheney, 2001).

ChevronTexaco states publicly in its web site that it considers itself the most important oil producing company in Venezuela and Colombia, the third largest in Argentina, and the most important distributor in Brazil with 5,000 service stations, lubricant plants, and extensive markets.

For the Asian-Pacific region, the strategy is being developed with Caltex. In China for example, it has concessions in the Bay of Bohai and besides managing the service stations, it manages storage centres and a plant of paraxyleno. In Yosu, South Korea has the world's largest refinery. In Thailand, it is the main oil operator while UNOCAL is the main gas operator. There, Caltex also manages the most important refinery. In the Philippines, it manages the Malampaya Deep Water Gas Project.

In Indonesia, the most important operation is in Kalimantan, in Riau. There the company is facing a lawsuit because of the impacts inflicted on the indigenous people of Sakai. The company has operated for 50 years in the Dumai Terminal. It manages the largest steamflood system. In Java, Amoseas International operates an energy plant. Finally, in Australia manages the Greater Gorgon gas project and two refineries. (ChevronTexaco, 2005). Besides, it has a presence in Bangladesh, India, Maldives Islands, Nepal, Pakistan, Sri Lanka, Brunei, Cambodia, Laos, Malaysia, Singapore, Vietnam, Fiji Islands, New Zealand and Tahiti.

In the Middle East the company also operates as Caltex and is present in Bahrain, Israel, Jordania, Kuwait, Libya, Oman, Qatar, Suadi Arabia, Siria, United Arab States and Yemen.

The company has laid a network throughout the world, which involves both operations and distribution. It is a strategy built over time; it is built from its predecessors who had presence in different continents since the beginning of last century. That was a century of expansion, of network weaving, and of reaching almost all the corners of the planet.

There, where there are no extraction operations, they have service stations or lubricant distribution centers. This includes all continents, all countries, cities and roads.

The buying of UNOCAL, a very active company in South East Asia and in the Gulf of Mexico, will allow them to become what they were searching for, to be the most important company in the region (ChevronTexaco, 2005).

By merging with Unocal, Chevron also takes over this company's history, accused of human rights violations, slave labour, cooperation with dictatorships and environmental disasters.

### **Unocal in Burma**

Ka Hsaw Wa and Kenny Bruno, ERI-Birmania

A human rights tragedy has been unfolding in Burma (also known as Myanmar) since the early 1990's. The construction of the Yadana pipeline has directly caused gross and horrific human rights abuses against people living in the area and, though reduced, those abuses continue today. The project is a major source of financial support for one of the most brutal regimes in the world, and the democratically elected leaders of Burma have asked foreign companies to withhold their support (Ka Hsaw y Bruno 2005).

A consortium of Total, Unocal, the Thai petroleum authority and the Burmese military, owns the Yadana pipeline, located in the Tenasserim region of southern Burma.<sup>7</sup> The Yadana project led to a militarization of what had been a relatively peaceful area. That militarization, predictably, led to violent suppression of dissent, environmental destruction, forced labour and portering, forced relocations, torture, rape, and summary executions. With the acquisition of Unocal, ChevronTexaco will become a partner in the Yadana project unless it takes steps to shed its stake.

Texaco left Burma in 1997, removing itself from the consortium it had joined in 1991 to develop the Yetagun pipeline, which runs parallel to the Yadana through Burma.

### **The Yadana pipeline has directly caused gross and horrific human rights abuses**

The connection between the investment in the Yadana project and human rights abuses is quite direct. At the outset of the project, Total and Unocal required a secured area for their investment, with one Total executive stating that "unless the area is pacified, the pipeline won't last for its thirty year period" (Bardake, 1996). While it is still a matter of dispute as to the need for such a militarized pipeline corridor,<sup>8</sup> there could have been no doubt that a vast mobilization of troops within the project area would be to the extreme detriment of the local population. The army did their part, swiftly and fiercely bringing the local population under their control. As a U.S. federal court stated in court documents, "It is undisputed that the Myanmar Military provided security and other services for the Project, and that Unocal knew about this" (Doe Versus Unocal).

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<sup>7</sup> The State Law and Order Restoration Council established a state owned company, Myanma Oil and Gas Enterprise, to produce and sell the nation's oil and gas resources.

<sup>8</sup> As the Federal Court noted in Doe V. Unocal, "although there were there were rebels against the government and opposition forces operating in different regions of the country, there was little or none activity in the region of the Yadana project. In fact, Burma's civil war epicentre was 150-200 mile away from the project.

The consequences of this militarization have been profound. Before the pipeline was constructed across Burma's southern Tenasserim, fisherfolk and farmers in the region made their livelihoods relatively free from restrictions. They were able to provide for themselves and occasionally earn extra money. Once the pipeline construction began in 1991, everything changed. Since 1991, at least 16 military battalions (each averaging 500 soldiers) have occupied the forty-one miles of pipeline across the Tenasserim.<sup>9</sup>

One of the State Law and Order Restoration Committee's first orders of business upon arriving in the pipeline region was building their barracks. As the region had previously been unmilitarized, the new troops sent in to secure the pipeline corridor for investment-needed housing. Thus, in 1991, thousands of villagers were forced to build military barracks at Kaleinaung, the first major military base in the pipeline corridor housing Light Infantry Battalions (LIBs) 408, 409 and 410. Villagers were forced to work at what amounted to slave camps at Kaleinaung, and later at other locations along the pipeline route such as the Heinze Islands, near where the pipeline came onshore; Kanbauk and Ohnbinkwin, where the companies had their headquarters; Michaunglaung, in the center of the pipeline, and Nat Ein Taung, where the pipeline crossed into Thailand. Consultants confirmed the prevalence of this practice by Texaco (then the operator of the Yetagun project):

*Military housing and all local infrastructures is provided by underpaid or unpaid labour. The harsh conditions of those carrying out such labour—including young children—and the testimony of local people who will go to extremes to avoid it, belies the Government claim that such work is voluntary (Le Provost, 1996).*

The military build-up in the Yadana gas pipeline region, as stated earlier, quickly led to myriad abuses against the local population, including massive forced relocations, rape, forced labour and forced portering, torture, extrajudicial executions, environmental destruction, economic dislocation, and attacks on indigenous cultures.

### **The Yadana pipeline led to a landmark lawsuit against Unocal**

Eleven individuals from Burma's Tenasserim region filed what was to become a historic lawsuit against Unocal. Marking the first time that a federal court declared jurisdiction over a corporation for human rights abuses committed overseas, *Doe v. Unocal* made legal history. The plaintiffs in *Doe v. Unocal* represent examples of otherwise unexceptional individuals whose lives, cultures, rights, and environments have been destroyed by the Yadana pipeline. The military forced them to leave their homes, forced them to clear trees, build military barracks and haul heavy equipment, prohibited them from farming, took their property, and livestock, and, in some cases, raped the women (*Doe Versus Unocal* 2000). A federal district court noted that, "the deposition testimony recounted numerous acts of violence perpetrated by Burmese soldiers in connection with the forced labor and forced relocations." The federal court went on to state:

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<sup>9</sup> Unocal memorandum documenting Unocal's meetings with Total on March 1 and 2, 1995 reflects Unocal's understanding that "[f]our battalions of 600 men each will protect the [pipeline] corridor" and "[f]ifty soldiers will be assigned to guard each survey team."

*“Here, plaintiffs present evidence demonstrating that before joining the Project, Unocal knew that the military had a record of committing human rights abuses. It presents evidence that Unocal hired the military to provide security for the Project, a military that forced villagers to work and entire villages to relocate for the benefit of the Project. It also stated that the military, while forcing villagers to work and relocate, committed numerous acts of violence; and that Unocal knew or should have known that the military did commit, was committing, and would continue to commit these tortious acts” (Doe V.Unocal, 1997).*

On April 2, 2005, just two days before the acquisition of Unocal, lawyers for the plaintiffs and defendants spoke publicly of the settlement of their eight-year lawsuit. For the first time in a lawsuit outside of the Holocaust context, a private U.S. corporation has paid money to compensate individuals for international human rights abuses committed overseas. In addition to compensating the villagers, most of whom are destitute and living in hiding from the Burmese regime, the settlement funds will enable the plaintiffs to develop programs to improve living conditions, health care and education and protect the rights of people from the pipeline region. These initiatives will provide substantial assistance to people who suffered hardships in the region; however, this assistance does not erase or excuse the negative impact Unocal’s involvement had on the region.

### **The Yadana pipeline led to forced labor**

The mere presence of the Burmese military, predictably, led to the kinds of human rights abuses that have led the U.S. government and other nations to exert some of the strongest economic and political sanctions in force. However, perhaps the most alarming of these violations, at least from the perspective of Unocal and Total’s complicity, is the evidence of forced labour on pipeline infrastructure and security operations, and the companies’ clear knowledge of this abuse. In spite of the Burmese military’s notorious human rights record and its widespread use of forced labour and portering, the companies allowed them to work for the pipeline, knowing they would use forced labour. One of the clearest indications linking the companies to the abuses is the fact that Total actually paid villagers who were forcibly recruited by the army to carry their ammunition and supplies (portering) and build infrastructure such as helipads. Under the International Labour Organization’s definition, “the term ‘forced or compulsory’ labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.” Total’s own briefing materials provide evidence of payment to villagers “hired by the army.” Thus, villagers who were forced to build helipads and other infrastructure, clear areas for roads and for the pipeline route itself were working as forced labourers, regardless of whether or not they were ultimately paid.

Even before Unocal invested in the project, its own consultants and partners informed it of the military’s dismal human rights record and the fact that that same military would be likely to commit human rights violations and employ forced labour in connection with the Yadana pipeline (Doe V. Unocal). In addition, after the initial investment, on December 11, 1995, Unocal consultant John Haseman, a former military attaché at the U.S. Embassy in Rangoon, reported to Unocal that SLORC was, in fact, using forced labour and committing other human rights abuses in connection with the Yadana project. He stated that “Unocal was particularly discredited when a corporate

spokesman was quoted as saying that Unocal was satisfied with . . . assurances [by the Myanmar military] that no human rights abuses were occurring in the area of pipeline construction.” He continued:

*“Based on my three years of service in Burma, my continuous contacts in the region since then, and my knowledge of the situation there, my conclusion is that egregious human rights violations have occurred, and are occurring now, in Southern Burma. The most common are forced relocation without compensation of families from land near/along the pipeline route; forced labour to work on infrastructure projects supporting the pipeline... and imprisonment and/or execution by the army of those opposing such actions... Unocal, by seeming to have accepted [the Myanmar military]’s version of events, appears at best naïve and at worst a willing partner in the situation” (Doe V. Unocal, 1977).<sup>10</sup>*

Each of these particular abuses has created a domino effect leading to other violations of fundamental human rights. For example, the forced relocations have led numerous farmers and fisherfolk to lose access to their traditional livelihoods, which in turn has led some of their daughters into prostitution to support their families (US Department of State, 1997). In the same way, restrictions on freedom of movement—requiring people to obtain military permission to go outside the village—have led to increased incidence of disease (ERI, 2001). Villagers regularly reported, “After the company came, there was a higher incidence of illnesses . . . such as malaria.” “The health situation is worse than before because there are more people around, and some people have brought cows and buffalo very close to the village. There are more insects around now, and the people are getting diarrhoea, and more people are dying” (ERI, 2001). Further, “the company enlarged the hospital when they came, but there are many more patients now. There are more diseases, especially malaria, since the company has come, and the road and work accidents have also increased” (ERI, 2001). And so on.

### **Forced labor in the pipeline region continues today**

Recently, Unocal has claimed that it is “improving lives in Myanmar” through a program of socio-economic initiatives directed at thirteen villages in the pipeline region (Unocal, 200). Even if Unocal’s statistics about increased access to healthcare, education, and economic development were true, they are rendered meaningless by the fact that the pipeline caused a severe decline in general conditions for the local population. Moreover, such programs do not excuse human rights abuses. Field research by our organization confirms that forced labour, though not as widespread as during the construction phase, continues in the Yadana pipeline area today. We have evidence from March 2005 that LIB 410 has recently forced villagers to provide accommodations, grow rice and porter for them. There have been beatings and interrogations recently by LIB 410 as well.

The people of the pipeline region were never consulted about their wishes regarding this “development” (ERI, 2001). They do not want the pipeline and they believe their lives were better—even without Unocal’s socio-economic programs—before the pipeline

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<sup>10</sup> *In Doe v. Unocal*, is stated that “Similarly, on May 20, 1996, a State Department cable stated: “Forced labor is currently being channeled, according to [non-governmental organization] reports, to service roads for the pipeline to Thailand . . . There are plans for a helicopter pad and airstrip in the area . . . in part for use by oil company executives.”

arrived (ERI, 2001). As one pipeline villager has stated, “*All in all, I want to say that if there was not a pipeline, there would be no foreigners. If there were no foreigners, there would not be soldiers, so we could have our own . . . life as we had it before.*” (ERI, 2001).

### **The Yadana pipeline supports one of the world’s most brutal regimes**

In addition to leading directly to specific human rights abuses, the Yadana pipeline, as the largest foreign investment in Burma, has contributed generally to repression. Since the consortium includes the Myanmar Oil and Gas Enterprise, the partnership of Unocal with the generals is formalized and the money generated by the pipeline goes directly into their coffers (U.S. Embassy, 1996). The companies are well aware of the fact that their money goes to the regime. As President-Director Jan Diederik Bax of IHC Caland, a Dutch company and subcontractor of the Yetagun pipeline project, acknowledged, “*The money is of course going to the [generals]*” (Krame, 1999).

U.S. federal sanctions prohibit all new investments by U.S. companies in Burma because of the regime’s horrendous human rights record, but the Unocal investment was grandfathered in. While specifically exempted from U.S. sanctions, this investment is clearly at odds with the spirit of the U.S. policy of isolating and pressuring the Burmese military dictatorship. It also defies the wishes of Aung San Suu Kyi, the Nobel Prize-winning leader of the National League for Democracy, currently under house arrest, who has asked foreign companies not to invest in her country.

### **The Yadana pipeline will bring new controversy to ChevronTexaco**

Because of the Burmese military’s notorious human rights record,<sup>11</sup> the Yadana Project has been a centre of controversy. Human rights groups, pro-democracy organizations and environmental NGOs were quick to warn Unocal about the likelihood of human rights violations, the dangers of collaborating with the Burmese military, and the risks to the Tenasserim region’s ecosystems due to the lack of transparency, public participation, and accountability under Burma’s military regime. The Yadana Project was ultimately subjected to intense and unprecedented scrutiny, as it became the centrepiece of a worldwide movement for divestment in Burma and a groundbreaking lawsuit in United States federal and state courts. Unlike other projects of this nature, much of what occurred on the ground in this highly militarized nation has been made public as part of court documents and published judicial opinions. As such, the project serves as a sobering example of the potential impacts of pipelines upon the lives, livelihoods, and ecosystems that they traverse.

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## Strategies for the control of national economies

According to Yergin (1992) there are 3 types of oil companies that can be observed in the 20<sup>th</sup> century: the political thugs; the violent speculators and the perfumed yuppies. Throughout the history of both companies before their merger, their presence is felt in all three forms. The company assumes each one of these types at different moments, arising from knowing or suspecting the existence of oil resources in some part of the world.

In this way, there are moments when ChevronTexaco exercised direct pressure over the governing authorities with the aim of obtaining concessions and conditions that are more favourable for their goals. The perfumed yuppie is the one that lobbies and for example makes contact with the multilateral banks and development agencies. The violent speculator is the one that manipulates governments with figures about reserves, which will help them to impose conditions in the negotiations, and which pushes governments to disproportionate indebtedness. Finally, the violent thug applies local strategies to obtain access and control of the hydrocarbon reserves.

Similar to the way other companies operate, ChevronTexaco uses pressure networks, which involve multiple sectors at national and international levels including:

- National Governments, which without considering national sovereignty grant advantageous contracts to the companies, facilitate construction of infrastructure, give advantageous tributary arrangements, and provide security through national armed forces.
- Multilateral Agencies are extensions of their own financial departments. The World Bank, which finances in all the continents reforms in the energy sector, also finances pipelines, and infrastructure. The MIGA (Multilateral Investment Guarantee Agency) offers guarantees for high-risk investments that will finance oil activities. The IMF imposes macro policies to the countries, for example deregulation and privatization, eliminates social subsidies, and expands the advantages for the oil sector.
- The private banking system also works for the industry, both organizing their finances as well as collecting funds for their projects. Thus, there are the “arrangers” who collect funds for oil investments, as well as the moneylenders that are the banks, which invest the funds directly.
- Export Credit Agencies (ECAs) are state companies that guarantee risky investments to companies of their own country. A high percentage of these investments are for the energy sector.
- Commercial Multilateral Agencies intervene, dictating norms and regulations to the national governments that would favour transnational companies. They impose, for example national treatment for transnationals, they eliminate price regulatory cartels and production quotas such as those set by OPEC and of other monopolies. Many of the changes to these regulations have been achieved through Free Trade Agreements.
- The United Nations are proposing public-private partnerships, in which states and private companies would come to agreements to foster projects which supposedly



would promote “sustainable development”, but that really is a way of opening markets for the transnationals.

-Other sectors, such as professional associations, are the providers of legal representatives. The consultant agencies that carry out studies and which contract anthropologists, sociologists and even physiologists, are also at the service of the oil companies.

The method of intervention is explained by the ex CIA agent John Perkins, who as part of the consultancy firm MAIN (undercover CIA entity) was in charge of carrying out the studies and building the macroeconomic figures for the World Bank and the IMF to grant credits. The objective was to get the countries into debt with promises that their economies would have a 40% growth thanks to oil and through this, once indebted subdue their economies to the external pressures of the transnational banking system (Perkins, 2004).

In the case of Ecuador, the ex agent Perkins (2004) explains how the Texaco company, the transnational whose rights were limited under the nationalist military dictatorship during the 70's declared itself in conflict with Jaime Roldos Aguilera, the first president after the dictatorship. Jaime Roldos Aguilera expelled the Summer Linguistics Institute (SLI), entity that worked directly with Texaco to get into areas considered inhospitable, and also rejected the conditions demanded by Texaco. President Roldos died in an assassination which to date has not been clearly investigated. After his assassination vice president, Oswaldo Hurtado takes office, allows the SLI to stay in the country, and authorizes Texaco to start its largest campaign for the exploration of oil in the country.

This economic conspiracy scheme is still in use till date. In Chad, for example, where ChevronTexaco is part of a consortium that built the Chad-Cameron pipeline, there are already talks about a 40% growth, and the country's indebtedness has just taken a big jump. The World Bank (2005) approved 58 loans to Chad, for 1.1 billion US dollars in January of 2005.

*“These pressures from the oil industry are not new. In 1931 in Colombia, the president of Gulf Oil (today Chevron) who was US Treasury Secretary pressured for the so called “Barco Concession” to be approved, or else bank loans would be suspended or a region of Colombia would be divided in the same way as what happened with Panama. This concession allowed companies such as Mobil and Texaco (then Texas Petroleum) to repel hostilities, through armed police bodies, from the Motilon people that inhabited those regions. Many of the Bari Motilon fell under official fire and others died electrocuted in the electric fences of the encampments or assassinated with poisoned salt that was dropped from the company planes” (Roldan, 1995).*

The use of the World Bank or the IMF in order to achieve better contractual conditions, privatization of State assets, or the reform of fiscal systems, is the way these companies operate in these countries.

Barrow (1994) does a study, which grades different countries according to how much they favour private investment. Thus, those with five stars ‘same as the hotels’ are the countries with the softest fiscal conditions for private companies, and with one star are

those that keep rough conditions. The curious thing from this study is that the countries with rough conditions are strongly accused of corruption and inefficiency in the energy model, countries such as Nigeria, Angola, Indonesia, Colombia and Venezuela maintain nationalist positions.

The World Bank recommendations have been directed precisely to improve flexibility in the fiscal systems in many cases under military pressure. To the fiscal flexibility, a favourable treatment is added to begin oil operations. ChevronTexaco uses direct evasion in some cases with the governments consent and in others using disinformation or the governments' inability to control.

In the case of its operations in Indonesia, for example, ChevronTexaco and the Indonesian government use a transaction system and accounting agreements to avoid payment of millions on income taxes.

In that country, through false transactions, such as the excessive payment for crude oil, tax deductions, and monthly collection of dividends for concept of government reimbursements within shared production contracts, Chevron and Texaco together avoided the annual payment of \$220 million dollars in federal income tax and \$11.1 million dollars in state income tax from 1964 to 2002. That is, a total of federal and state tax evasion of around 8.6 billion and 433 million respectively for the combined ChevronTexaco company (Gramlich and Wheeler, 2004).

Usually companies tend to declare operation losses or minimal profits and through this avoid tax payments. In Venezuela, the tax authority revealed that this happened in 90% of the cases in the 32 operational contracts where ChevronTexaco and Royal/Dutch Shell were participating. Both have reported losses in their contracts (Reuters, 2005).

In Nigeria, there are also indications that these companies do not pay taxes. The Economic and Financial Crimes Commission (EFCC) director Mallam Nuhu, began an investigation for fraud and tax evasion against ChevronTexaco and other multinationals (Onyebuchi, 2005).

In this process of total impunity consolidation and using the negotiations of the free trade agreements, the oil companies have managed to include "International Arbitration" as a form of conflict resolution. Through these mechanisms, the companies obtain the best benefits and no obligations. Taxes, labour or even environmental conflicts can also be included in these arbitrations following the concept that the company's investments are at risk.

ChevronTexaco filed a lawsuit against Ecuador at the AAA (American Association of Arbitration) in 2003, requesting that Petroecuador face any verdict from the Lago Agrio Judge. They also demanded that the State pays all the legal and lawyers fees for the case. If that is the case and ChevronTexaco loses the case in the Nueva Loja Court, it would have an ace up its sleeve, since the State of Ecuador would be responsible for all the damages. The AAA is a court for North American companies and in no way is a neutral court, since ChevronTexaco vice president is a member of the decision council of this court.

## **Close relationships with the military**

Barreda (1999) describes how Chevron financed armed groups in Nigeria; and how Texaco did the same in Panama, Nigeria and Guatemala. UNOCAL also, financed these groups in Burma. This is a common practice among the oil companies: financing armed groups outside of the law for their own protection.

However, the main characteristic of this company is to associate with national armies in order to have them at their service, as it happened in Nigeria during the massacres orchestrated by the company together with the elite groups of the Nigerian military forces or in Ecuador where army battalions protected the company's installations or in Colombia where recently people have denounced that:\*

*George W. Bush has allocated over 90 million US tax dollars a year to guard the infrastructure of the oil industry, and companies like Occidental, Texaco, and British Petroleum have contracted with the Colombian military to maintain elite units to protect their investments. Occidental has continued to lobby for the intensification of the counter-insurgency operations in oil-rich regions to increase its capacity for resources extraction. Land evacuated by campesinos and indigenous communities because of military operations and aerial fumigation is subsequently open for development by multinational corporations (Miller, 2004).*

Although, some authors consider that the tendency is that armies become real paramilitary forces at the service of the company:

*“The corner stone of Bush's new pact for military assistance is a subsidy of 98 million dollars to help the Colombian government establish a new battalion of the 18<sup>th</sup> Brigade of its army to protect a pipeline against attacks from the guerrillas. The 18<sup>th</sup> Brigade has a long history of paramilitary links and its own history of attacks against civilians...the primary beneficiary of this program will be Occidental Petroleum....But the US ambassador, Anne Patterson, has said that in the long term the Pentagon considers similar programs for other crucial economic programmes in Colombia that ..... would include the maintenance of pipelines by the Harken subsidiary, Global Energy Development, a gas pipeline operated by Enron, and projects that would involve Cheney's old company, Haliburton, as well as property used by Texaco, Exxon-Mobil and BP (Donahue, 2004).*

The acceptance of the Bowoto vs. ChevronTexaco case in 1998 in a Californian court, where the assassinations and human rights abuses in Nigeria are shown, when security forces fired against unarmed people who were on the Parabe Oil platform, brought to light their behaviour. The lawsuit also highlights other violations which occurred before the Parabe incident where young people and women were fired at from helicopters, or when communities were burnt-out as in the case of Opia and Ikenyan.

In that case it appears there is a direct relationship between the armed forces, the police, and the private security forces. The company's argument was that they were not involved in the actions, that it was one of their subsidiary companies and that they are protected against these types of incidents.

Texaco acting in conjunction with Unocal in Burma built a pipeline in the Martaban Gulf and together operated the offshore fields of Yadan (Unocal) and Yeragon (Texaco). There human right abuses and forced labour via “drafting” of civil population were reported (ERI, 2000). Although Texaco sold its shares to Premier in 1997, the responsibility stays with Texaco, even more now that it has bought Unocal.

The role of gas and oil “investment had as a direct consequence the strengthening of the military dictatorship. Until 1988 the country was practically isolated, the regime used incentives in tax deductions and with flexible fiscal systems” (Hallstrom, 1994). In addition, the absence of environmental legislation and the use of cheap labour created ideal conditions for companies such as Texaco and UNOCAL to operate practically at leisure.

In Colombia, ChevronTexaco also has a contract for exploration in Bolivar and Sucre, an area that the current government had declared as “rehabilitation zone”, which means under a supra military government.

In Guatemala Texaco together with Basic Resources, Getty Oil (that was bought by Texaco in 1984) Amoco, Texas Easter, Monsanto, TotalFinalElf, International, Halliburton Co., Shenandoah Guatemala, Saga Petroleum, Petrolera Interanacional, Esso (Exxon), Hispanoil and Petrobras, were connected to the massacre of the q’eqchis people. In 1981 an article from the Multinational Monitor noted that “since the Panzos massacre there have been thousands of confrontations, while foreign companies and members of the dominant elite try to strip peasants of their most valuable resource; their land”.

In 1980, the Ixiles and Quiches indigenous people invaded the Spanish Embassy protesting against their expulsion from their lands where four oil companies had started to explore and where the army was building a highway to transport oil and wood. Thirty six people lost their lives in that action, including embassy personnel and the peasant leader Vicente Menchu, father of the Nobel Peace Prize Rigoberta Menchu.

In Ecuador the army helped squad teams that work for Texaco to confront the Huao, because they already had killed several oil workers. The army also intervened when the SIL Summer Institute of Linguistics created the “protectorate” in order to “clean” the territory for Texaco to come and operate.

In the majority of countries where the company has operated, it has used the military infrastructure for their entire process of infrastructure building. Such relation includes the fuel and lubricants supply. It is worth remembering that it is in the technological developments related to lubricant production done by Texaco that the use of submarines for military purposes was allowed.

This relationship between the military and the oil industry is a very close one. The military fuel consumption for trips, planes, helicopters, is enormous and if they would not have a good oil supply, the US Department of Defence could not move to distant battlefields (Klare, 2004).

# **CALTEX - A history of poverty and a threat to sovereignty**

**Mining Advocacy Network (JATAM)**

## **Abstract**

Riau's abundant natural resources have provided enormous revenue to the government of Indonesia with reliable contributions coming especially from the province's oil and gas sectors. In 2004, Riau provided a contribution of Rp 64 trillion to the central government. PT Caltex Pacific Indonesia (CPI)/Chevron Texaco did their first drilling in this province in 1924. Since then PT CPI has continued to take oil from this province and transport it to other countries. In 50 years of operation, PT CPI has produced 10 billion barrels of oil. However, instead of benefits that should have come many times over, the existence of PT CPI has not made Riau more economically secured. What has happened is widespread poverty. From the total population of Riau of 4.8 million people, 40.2% live below the poverty line. This poverty can mostly be seen in the Sakai indigenous community. Indigenous communities in Riau find little of what resemble their life with the presence of PT CPI. The communities have witnessed the protective arrogance and irresponsibility of this company with land being taken over without compensation, and no employment and education opportunities. Conditions like this have stirred protest amongst various community groups in Riau. They are demanding a restoration of their rights and justice that has been taken away with the decades old presence of PT CPI.

## **Introduction**

Riau province, the most eastern province on the coast of Sumatra for a long time was labelled a rich area. People have characterised the Riau community as people with prosperity at their doorsteps with the province's rich natural resources. With mainstay sectors of agriculture, mining, oil, and gas, this province contributed 4.67% to Indonesian revenue (2003).

Other than being home to millions of hectares of palm oil plantations<sup>12</sup>, Riau is also one of the richest oil and gas revenue generating areas of Indonesia. PT Caltex Pacific Indonesia (CFI)/Chevron Texaco are main players with control of 56% of the exploitation in this province.

From the oil and gas sector alone, Riau contributes Rp 64 trillion to the 2004 national coffer. From this total, the Riau provincial government received Rp 2.9 trillion allocation per year. Another Rp 6 trillion goes to 16 districts/municipalities in Riau. The Riau local parliament receives an income of Rp 8.9 trillion per year.

Oil and gas is an undeniable source of income for the province of Riau. This can be seen from Riau's total gross regional domestic income (PDRB) of Rp 13.2 million per capita, where 89% of this total comes from the oil and gas sector. The remaining 11% comes from other sectors in Riau.

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<sup>12</sup> 27.7 million Ha of palm oil plantations were given permits since 1999. There was a target growth rate of around 8.02% per year to 3.1 million ha. In 2004, this area had become 1.4 million hectares.

However, these contributions have not enriched the lives of the Riau community. Instead, the prospects of such contributions to community welfare seem further away. Based on data from the Central Statistics Body (Badan Pusat Statistik/BPS (2004)), poverty rates in Riau have reached 40.2% of the 4.8 million population. From this total, approximately 54% of citizens at the productive age only have an elementary education. According to the Riau Governor, the number of citizens without an elementary education is larger at 64.67% of the total population (Kompas, 2004).

In recent years, the Riau community has pressured the Indonesian government to be fairer in the distribution of benefits from oil and gas exploitation in Riau including those reaped from the PT Caltex Pacific Indonesia (CPI)/Chevron Texaco fields.

Caltex has a second-generation oil and gas contract to operate in Indonesia. Although Shell entered Indonesia at the beginning of the 19th century when the country was called *Netherlands East Indies*, Caltex began producing crude oil in Indonesia in 1924 and 17 years later, Caltex was drilling oil wells in the Duri area of Bengkalis District, Riau.

Caltex is owned by American oil and gas company Chevron/Texaco with head office in the state of Texas. It held a joint venture with Standard Oil of California—that later became Chevron—and Texaco Inc. In November 1936, Caltex signed a contract with the Indonesian government to extract crude oil. Now, Chevron/Texaco is a global oil and gas company with operations in more several countries including areas of Africa, Asia-Pacific, the Middle East, Australia and New Zealand.

PT Caltex has operated for 50 years in Indonesia and has produced 10 billion barrels of oil. PT Caltex estimates crude oil reserves of about 18 billion barrels but only 14 billion barrels are retrievable (Bisnis Indonesia, 2003). With oil production of around 507,000 barrels per day in 2004, this company has a workforce of about 6000 people.

On August 9, 2002, PT CPI handed over Block CPP (Coastal Plains Pekanbaru) to the governmental oil and gas implementation body, Balak. Block CPP is now managed by the Joint Operations Body (BOB) including PT Bumi Siak Pusako (BSP) and Pertamina Hulu. The profits are divided with 85% going to the government and 15% to the consortium, just like before. The difference is that the PT CPI portion goes to the Pertamina consortium and the Riau to government. The Upstream Oil and Gas Activity Body (Balak Kegiatan Hulu Migas) represent the central government. Block CPP is handed over to BOB while the PT CPI oil field in Riau remains in Block Rokan and Kuantan that got a new contract to the end of 2020.

After the management of Block CPP was taken over by the government, the maximal production capacity of PT Caltex experienced a decline from 90,000 barrels of oil per day to 37,000 barrels per day. However, this decline in production capacity is also not separated from the amount of aged oil fields and several water cuts.

In 2003, Caltex was forced to abandon its plan to barter oil and gas with ConocoPhillips. The oil and gas bartering that commenced since 1988 was evaluated to be at great disadvantage to the state. The promise between Caltex-ConocoPhillips-

Pertamina ensured that profits from each sale of crude oil included some share to the state. The five-year loss without any state share amounts to US\$36 million.

Initial production exchange occurred when Caltex needed gas to inject into their oil wells. Eventually, Caltex exchanged its oil with gas owned by ConocoPhillips. Based on effective regulations, all mining revenue must include royalties to state coffers. Caltex and ConocoPhillips were already in violation of this regulation by directly trading their products whereas their product was owned in part by the government. Losses per month were counted from the total of oil product exchanged with gas of about 60,000 barrels per day with an estimated oil price of about US\$20 per barrel multiplied by 30 days. Therefore funds that should have entered state coffers were about US\$36 million.

### **Struggling for profit sharing and demands for freedom**

The PT CPI economic stronghold at one side and the state of poverty in the community has been building resistance and protest in the Riau community for some time. In the years before the "Reformasi" era in Indonesia, there have been calls heard for a free Riau from Indonesia. Prof. Tabrani Rab said that the Riau freedom movement has been gaining momentum in various community circles in Riau.

There is a Riau Community Congress (KKR) II that has become a movement for struggling for a free Riau. The Congress that includes the participation of 2023 participants met for four days from January 29 –February 1, 2000 and reached an agreement for Riau to separate from the Republic of Indonesia (Kompas, 2000). Then the Riau Community Congress Working Body (KRR) II followed this up with holding a seminar on "Free Riau Prospects." From this seminar, the "Pekanbaru Declaration" was issued that reinforced the concepts born in the KKR II (Kontras, 2000).

The Free Riau Movement is a form of resistance to the political and economic dominance of the central government over the local government that has resulted in Riau being its victim. This movement has appeared together with strengthening the federal state forum.

It is undeniable that the centralistic system arranged by the new order regime over decades has made the community in the area and the province of Riau suffer. However in this situation where so many were at a disadvantage, there were groups such as the transnational corporations like PT Caltex Pacific Indonesia (CPI)/Chevron Texaco who were benefiting.

Protests against PT CPI reached a peak mainly when the Government of Indonesia issued Act No. 22/1999 about Regional Government and Act No. 25/1999 about Balance of Monies, between the Central and Regional Governments. For the Riau community, these laws were regarded as not responding to the problem of poverty and injustice that they were experiencing.

With the Regional Government Law (Regional Autonomy), authority of the local government was larger. Regions were not only given more authority to regulate their affairs but were also given more authority to manage and benefit from their natural

resources. Before this law, profits made from natural resource exploitation went to the central government so this new law created added revenue for the provinces.

The enforcement of regional autonomy has not resulted in major changes of economic benefits sharing between the central and local government. PT Caltex has become the one and only power in exploiting oil and gas from Riau. Caltex enjoys the largest profits, while Riau only gets 15% from the profit sharing with the central government.

According to a report in the *The Far Eastern Economic Review*, Riau supplies more than half of Indonesia's crude oil need but only 1.4% of about US\$ 8 billion goes to Jakarta (the central government) (Project Underground, 2000).

With a political-economic background like this, the Riau government was pushed like other regions to demand economic justice on the exploitation of their natural resources that were under control of foreign investors where most of the profits were only being enjoyed by the central government.

The Riau Provincial Government then shouldered the demands of the community for rights, and larger economic benefits (oil and gas profit sharing funds). The demands were made to the central government and to PT CPI. To the central government, Riau demanded profit sharing of 40% up from 15% or an increase of 25% from before.

Profit sharing in the oil and gas sector between the state and the region was based on Act No. 25/1999 where 85% of profits went to the state and 15% were allocated to the region. For Riau, the benefit-sharing ratio like this was considered unfair and there was increased pressure by the Riau people to improve local economic conditions and lift them out of poverty.

To achieve a better economic future, the Riau provincial government formed a special team with the task of lobbying the central government and parliament. The Parliament promised to increase profit sharing funds to 15.5% for Riau, then the government rejected that and the stipulations in Act No. 25/1999 remained in force. Thus, Riau only has the rights over 15% in accordance with this law.

Of course, the Riau provincial government and community were not satisfied with this result. While the Riau provincial government approved this decision, they must continue to struggle in stages. Various community groups also chose a new target and pressured PT CPI to be responsible for the poverty occurring in Riau. Since 1999, various community groups; university students, non-governmental organizations (NGOs) and community leaders did protest actions against PT CPI.

Massive protests like the one of April 20, 1999 were held. At least 1500 citizens and university students in Riau visited the PT Caltex Pacific Indonesia complex in Riau. They demanded realization of government promises to share 10% of the profits for the Riau region from the oil production profits received from the government. But because PT CPI did not fulfil their demands, the people participating in the protest action destroyed the office and guest house of Caltex in Riau. They burned a number of cars including 13 cars belonging to Caltex and 12 others belonging to Caltex workers (Kompas, 1999).



The protests continued in the following years, often ending in violence. There were victims from both the security forces and participants sides of the protest actions. In a blockade action on January 27, 2000, 15 people were wounded and five people were hospitalized. This action called for the central government to be fairer in sharing profits to the regional government of Riau. Tens of university students wanting to do a sit-in at the PT CPI main office followed this action. However, before the action could occur, the security forces forcefully stopped their action.

The actions demanding an increase in the profit sharing funds began again on August 24, 2004. Several people from the Riau Youth Committee (Koper) blockaded the PT Caltex site and demanded that Riau should be given profits sharing funds of as much as 40%. "We demand that the three bodies (BP Migas, Pertamina, and PT Caltex) be responsible for the poverty in Riau that still persists in conditions worthy of attention," stated KOPER coordinator Rusli Ahmad.

KOPER attempted to compare the profit sharing funds from oil and gas in the Papua and Nangroe Aceh Darussalam (NAD) provinces that both receive a 70% share. Riau only receives 15%. Aceh and Papua receive more because of their status of having special autonomy.

To squash the actions of KOPER, the Riau local police brought down about 100 personnel from the special police force mobile brigade (Brimob) and members of the Mass Control (Dalmas) from the Pekanbaru police.

The Riau community was still not satisfied even though the Indonesian Parliament from 1999-2004 agreed to increase the oil and gas profit sharing for Riau. An addition, the profit sharing of 0.5% to the 15% has been regarded as too small. Furthermore, this new decision could remain in effect until 2009.

This decision was regarded as not serious and disappointed many elements in the Riau community. The Riau Community Communication Forum (FKPMR)<sup>13</sup> and its leader Abbas Jamil regarded the central government as playing with Riau. "If they (the central government) do not want to hear our demands, it is better for Riau to become independent," stated Abbas.

FKPMR, like KOPER also feel called to struggle for the destiny of the Riau community. According to them, the Riau community has already lived too much in poverty and suffering. Meanwhile everyday they are at the doorsteps of richness but are cheated by the oil and gas industries.

*"It has been a long time that we have suffered from poverty, ignorance, and various difficulties. During the reform era and regional autonomy era, we hoped to be free from all this suffering. But the central government has shown that it is happier to let us live like this so it is better that we be free and join with Malaysia,"* they stated with frustration.

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<sup>13</sup> FKPMR : Forum Komunikasi Pemuka Masyarakat Riau

## **Land take over and labour conflict**

PT Caltex was under constant pressure. The local community demanding land compensation, employment opportunities, and road improvements frequently did protest actions and blockades. PT Caltex staff did their own actions to improve their working conditions.

Based on Kompas media reports, from January to August 2000 alone, there were 12 instances of road blockades leading to the oil fields, 55 demonstrations and 37 labour strikes, which caused PT CPI to lose more than Rp 2 trillion in production. In November 2000, there were five pump burnings, which sucked the oil into petroleum at Rantaukais (Kompas, 2001).

Following these incidents, there were several protest actions and blockades done by the local community against PT CPI demanding land compensation;

**November 6, 2000;** a mass demonstration by the Tani Sawit Permai group set five oil wells owned by PT Caltex Pacific Indonesia (CPI) (in Tanah Putih Regency, Rokan Hilir District, Riau) on fire. The community set the oil wells on fire because they were not satisfied with land compensation provided by Caltex. As a result of this incident, five people were detained by the police for burning the wells: Opu Taruli Panjaitan (60), Evi Boru Manurung (26), Jitu Panjaitan (28), Tambelan Surbakti (40), and Erwan Surbakti (35). The burning of these wells also caused Caltex to experience losses of Rp 5 billion.

**End of January 2001;** Tens of citizens blockaded the road to the oil field owned by Caltex at the Kerang Village, Bangko Regency, and Rokan Hilir District. Transportation bringing people and things from both PT CPI and their contractors were not able to enter the site. Sometimes the road was blocked with logs and other large items. The citizens demanded that PT CPI pay land compensation for about 90 hectares used for opening their oil fields. Caltex demanded a return to their oil well activities on February 8, 2001. The closure of this oil field was for the first time done by Caltex since the protest actions. Various equipment owned by Caltex disappeared or were destroyed. This equipment was used in moving machines like the transformers.

**February 17-20, 2003;** approximately 400 citizens blocked the Pinang Gas Plant facilities owned by PT Caltex Pacific Indonesia (CPI) in the Kubu area, Rokan Hilir District, Riau. The mass action demanded that PT CPI improve road conditions in Pinang that were associated with the refinery area in Simpang Kubu, Bangko, in Rokan Hilir District, an area of about 40 kilometres. A result of this action was that oil well activities were stopped and at least 7200 barrels of oil and 28 million cubic feet of natural gas failed to be produced from the Pinang Gas Processing Plant facilities. The new action ended on February 20th after the company made themselves available to discuss and commit to improve parts of the road that were in poor conditions.

**April 15, 2004;** 1500 Bangko Jaya Pusako citizens from the Rokan Hilir (Rohil) District, Riau demonstrated at the PT Caltex Pacific Indonesia (PT CPI) oil field in Bangko Camp. They proposed land compensation over land that covered 729 hectares that was taken over by PT Caltex of Rp 218 billion or Rp 30,000 per meter. This land

compensation value was discussed between Caltex and BP Migas before the citizens also held discussions in Batam on March 11, 2004 and at BP Migas in Jakarta on April 7, 2004. However, PT CPI did not immediately realize these demands.

"The community descended to the field because up until now there is yet to be a resolution to the land compensation issue from Caltex and BP Migas (Badan Pengawas Minyak and Gas Bumi) that we requested," stated a community leader making the land compensation demands, Ruswanto (Kompas, 2004).

The Bangko Jaya citizens were threatening to report PT Caltex to an international court if their demands were not fulfilled. The leader of the Bangko community (MTMB) and Head of their Presidium, Andreas Kahuripan, made this threat.

"PT CPI has violated indigenous community rights there. The community demands have not been fulfilled in accordance with promises agreed. We will report this oil company to the international court," stated Andreas who was a coordinator for this action (Newsletter, 2004).

According to Andreas, PT Caltex still has a land compensation debt of 729 hectares. The community has struggled with these demands of compensation since 1970 but up until now, PT Caltex has never provided land compensation as requested by the citizens.

If the Bangko citizens' demands continue not to be fulfilled, the citizens are demanding that the company leave Bangko. "*The community request is in all respect and if it is not fulfilled we will ask PT CPI to immediately take away their equipment from our land of birth,*" threatened Andreas.

Addressing the demands of the Bangko citizens, PT Caltex management clarified that they have provided land compensation since 1971. However, Andreas challenged this information provided by the company. According to Andreas, land compensation as the company claims is actually in a different area than what the citizens are now demanding. "*The land compensated is not the land in Bangko Jaya but is land in the village of Pematang Duku Desa Sungai Menosib, Bangko Regency, that has hardy vegetation,*" stated Andreas.

**May 25, 2004;** Tens of Sakai citizens occupied the Caltex main office. Sakai citizens also did an action in March 2004. The Sakai indigenous community is demanding land compensation for an area covering 140 hectares. Mass actions to the oil drilling location of PT Caltex have happened several times. PT Caltex has never paid attention to the demands of the Sakai people including ignoring the recommendations from the local parliament and the Bengkali District Head.

### **Labour Conflict**

PT CPI must not only face the Riau community but also labour protests. The largest problem faced by PT CPI in several recent incidences included the severance of working relations and also affected Caltex sub-contractors. This situation was more complex with several community groups in Riau demanding to work at Caltex.

At the end of November 2000, Caltex experienced a labour strike organized by the Indonesian Safety Labour Union (SBSI). Hundreds of people working for 33 sub-contractor companies of Caltex protested in Duri. They demanded higher wages. In this strike that involved more than 3000 workers and continued for several days, they forced a stoppage of work that was being done at 17 drilling sites. This action received a response from the Minister of Mines and Energy, Purnomo Yusgiantoro, who stated that he, would ask the police to stop every strike that would disturb Caltex's oil production. He also stated that he wanted to be informed by the company each time their oil production was disturbed (Down to Earth, 2001).

**January 3-5, 2001;** Tens of Swakarsa security men took hostage ten PT Caltex Pacific Indonesia (CPI) cars and their work partners. The demonstrators seized the Caltex cars by taking the car keys and parking the cars at the edge of the street. This group did not accept the decision by Caltex and was demanding a return to the original position. Caltex did negotiations with the demonstrators as well as with community leaders. Caltex's decision was taken because the protesters were too many for the police to deal with.

In the same month, hundreds of former Caltex workers demonstrated outside the company's office in Rumbai. They demanded a resolution of the pension demands that were yet to be paid by Caltex. The company promised to fulfil their demands within a week.

In January, a local community organization, FPTK, proposed legal demand on 16 companies operating in Riau including oil and gas companies PT Halliburton, PT Schlumberger, and PT Borindo. These companies were accused of acts of discrimination against Indonesian workers and not providing minimal safety standards in their work environment. Other than that, the company was also accused of violating standards of the International Labour Organization (ILO).

**June 1-14, 2001;** Tens of citizens occupied 7 locations in Caltex oil fields in Rokan Hilir, Riau. The mass action continued a blockade action ending on June 14, 2001. They demanded work at the subcontractor company of PT CPI (PT Tenar and PT Guna Sarana Agung). The group called Tanah Putih Concerned Youth Generation (GEMPITA) started the action by blocking the road leading to seven oil wells (five pumps and two submersible pumps). Then on June 5, 2001, the group blocked a field with a capacity of 92 barrels a day. They also destroyed the panel and detained 5 vehicles owned by PT CPI and their contractor partners. Well activities were totally shut down.

The mass action was stopped after the contractor company agreed to hire six young people in the company. This negotiation was achieved after the Head of the Rokan Hilir District facilitated a meeting between representatives of Gempita and PT CPI on June 13, 2001. PT CPI also agreed to help improve the nine kilometres Sintong Village road destroyed, help the market, and prioritized the recruitment of a local workforce from the villages of Sintong, Teluk Sono and Libo.

**Tuesday, April 14, 2003;** At least 30 workers belonging to the Business Partner Caltex-Amoseas Labour Union (SPBP) held a demonstration at the Caltex-Amoseas office and the U.S. Embassy in Jakarta. They demanded their terminal benefits after retrenchment

by the company. However, Caltex-Amoseas stated that the SPBP demands were being addressed to the wrong place and should be requested from the local company where they worked.

**December 13, 2003;** Hundreds of people participated in a mass blockade of the oil field at Block Coastal Plain in Pekanbaru (CPP) in the Sungai Bayam Village, Sei Apit, Siak, Riau province. The protesters from Rempak Village blocked the road to the location and stopped the workers. They demanded work at Block CCP. Other than taking the workers hostage, they held the oil drilling equipment. They also burned two company cars and destroyed two other cars. As a result, the activity of six oil wells was stopped in the Sabak area from operating.

To avoid the possibility of further destruction, PT CPI requested the presence of two police forces, the notorious Brimob and the Riau local police. There is the usual practice of companies like PT CPI paying security forces. Security force models always defend company operations beginning with the company's entrance and the relocation of communities for their operations to providing routine security while the company is operating.

The company's response to the protest action by the citizens demanding work at PT Caltex was that it is their policy to carry out their work with efficiency. However, the citizens see these conditions as a way for the company to give jobs with the assumption that the workers can be stopped without compensation.

With the excuse of efficiency, PT. Caltex said it needed to reduce the workforce by 10-20%, which is about 2000 workers. The realization of this policy led the company to recommend voluntary retirement to workers. As a result, 1133 people from various levels chose to bargain with the company on various items. After doing this restructuring, there were 4300 remaining workers at PT Caltex.

### **Sakai tribe: trampled upon and discarded**

In Riau, poverty is prevalent; the Sakai tribe is most affected.

This portrait of poverty in Riau is very much seen in the Sakai tribe who live along the Siak River from Pekanbaru to Kampar District. They live in wooded makeshift houses. In these homes, they try to survive, bathe, eat, and drink from the Siak River while searching for work. They must consume and use the contaminated river water because they have no other choice.

The Sakai people feel "discarded" from their land and forest, a result of the irresponsible actions of those exerting power. They also have become direct and indirect victims of PT Caltex Pacific Indonesia.

As direct victims, hundreds and maybe thousands of Sakai people have lost their land because they were relocated by force for PT CPI operations. These lands included farming and settlement areas that were not compensated properly and some were not compensated at all. As indirect victims, their life does not reflect the economic growth in Riau from the oil and gas sectors with PT Caltex as a major contributor. Caltex can

operate and develop up until now after exploiting the Sakai people as they exploit their oil and gas reserves.

The Sakai people are one of several indigenous peoples in the Riau province. Other indigenous communities include the Bonai, Talang Mamak, Laut, Akit, and Hutan. The total number of indigenous peoples in the Riau Province according to data from the Social Department of Indonesia is estimated to be at least  $\pm$  16,728 people (5889 households). No one knows what the name Sakai means or how it came about. Boechary Hasmy (1970), former head of the Mandau Regency stated that the Sakai name is an acronym coming from the Indonesian words that begin with **S**-(River), **K**-(Village), **A**-(Child), and **I**-(Fish). This reflects how they live in the villages, at the edge of the forest, upstream of rivers where many fish and water is abundant to drink and bathe (See: <http://www.katcenter.info/>).

The community life of the Sakai includes living on products of the forest, keeping livestock and fishing while planting gardens.

Relocating the Sakai from their lands also meant displacing them from the forest, rivers and the fish they lived with. The fish surviving in the polluted waters here have suffered as have thousands of Sakai today in Riau province. For example in Minas Barat Village, Bengkalis District, Riau, there are 90 Sakai households. They have been displaced from their normal life because the forest around them continues to be degraded. Before they were able to make a decent living from forest products, now they are forced to become temporary workers including cutting grass for PT Caltex Pacific Indonesia.

"If there were wages, yes we would work. If not, we are forced to be in debt to our neighbours or go to Jakarta", stated Endai, a member of the Sakai community (Kompas, 2004).

This poverty can also be found in other places in Bengkalis District, Riau. Around the Duri oil field area owned by PT CPI for example, life of the Sakai people has not been better with their relatives living in the Siak River area. At several main road intersections that connect Pekanbaru to Bengkalis, several elderly women stand in the middle of the road begging for money.

These women are only a part of the Sakai people living in a settlement not far from the oil gas pipelines of PT Caltex Pacific Indonesia (CPI) that runs from Jalan Raya Minas-Duri for hundreds of kilometers to the Dumai port. From these pipes, about 700,000 barrels of petroleum per day flows contributing to 65% of the petroleum produced in Indonesia. At the time of writing this piece, the price of crude oil on the world markets was US\$30 per barrel so the pipes were sending out as much as Rp 300 billion per day.

It is hard to understand why the Sakai people live in poverty in an area where such enormous wealth is flowing. PT CPI operations have clearly not considered the impacts on the local communities.

The fate of the Sakai is uncertain in Jiat Penaso, Mandau Regency, and Bengkalis District. Several citizens in this area still live in rough wooden walled houses with dry

palm tree leaves for roofs, floors made of planks, and leaves for doors. Their daily food is not rice but tubers (*ubi mangalo*).

*Ubi Mangalo* is a species of tuber that grows in and around the homes in Jiat Penaso. Even though this tuber is considered toxic, the Sakai people continue to eat it because they have become accustomed to its side effects and furthermore because they do not have many choices for food in the forest.

The Jiat Penaso citizens have tried bringing forth their demands to the Riau provincial government for assistance to build a more liveable settlement for 30 families. They also hope to receive assistance for small ventures like raising chickens. However, assistance never comes. The local citizens must continuously struggle given the conditions they live in.

Unfortunately, even though the people of Jiat Penaso have a long legacy and history, they are labelled as a foreign tribe. Local government use this label to avoid providing assistance to them for a more reasonable life. The Riau provincial government and the Bengkalis District believe that the Sakai people are grown accustomed to the homes made of wood and do not need permanent homes.

### **Demanding Land Rights**

The existence of the industry, mostly the extractive industry at various places, caused a lawsuit over the land. However, in many cases these lawsuits over land end up not being resolved, the community also loses in its pursuit to receive fair land compensation.

The Sakai people have been struggling with this problem for decades. In May 2004, the Sakai community in Mandau Regency, Bengkalis District visited PT Caltex Pacific Indonesia. They demanded land compensation for hundreds of hectares of land taken over by PT Caltex that is yet to be paid.

The Sakai peoples' visit to the oil drilling location of PT Caltex became a frequent occurrence. But these actions did not make PT Caltex move. The citizens staged a demonstration at the PT Caltex office in March 2004. However, the company again ignored the demands of the community. Aggrieved, they returned to PT Caltex on May 5, 2004 with letters of recommendation from the local parliament and the District Head of Bengkalis that PT Caltex could not ignore.

*“We don't know what Caltex's intentions are. There is now a letter from the head of the local parliament and the District Head that land compensation be immediately paid. Our land has been taken over and we have not been compensated. The company has made life difficult for the community,”* stated Nasir as quoted in the Riau Post (2004).

The Bengkali District through the District Head Representative Riza sent a letter to Caltex demanding that issues with the Sakai be resolved. This letter (No. 100/pem/2004/248) was dated February 14, 2004. A similar letter also sent by the Bengkalis local parliament (No. 170/DPRD/II/2004/170).

*"The letters from the Bengkalis District Head and the local parliament were apparently not taken seriously by Caltex. They continued to reject paying land compensation. This means that Caltex has opposed policies from executive and legislative bodies in the area of their operations, -stated by Nasir as quoted in the Riau Post (2004)-.*

This action ended after an agreement was reached with the company to continue discussions. Even though with a heavy heart, the community accepted this offer. *"Actually, the discussion continues not to have any results, we request that Caltex immediately pay for our land and if Caltex does not want to then we will continue our demonstrations. We will not stop struggling for our rights and for proper land compensation from Caltex, because land that was used for their operations is land of the Sakai that is yet to be compensated,"* they said.

The struggle for the Sakai to have their rights restored has been a long struggle that has included using various demands and strategies. In November 2000, for example, the Sakai people demanded that Caltex provide part of the oil profits to them.

M Yatim, a leader in the Sakai community, stated that he has requested 1% from the company's profits to increase the standard of living of the Sakai. He accused Caltex of "taking over and exploiting their land." Yatim stated that he has requested support from the Ambassador of Denmark, Michael Stenberg, who previously had visited him in the province. As quoted in Detikworld, this Ambassador stated that he "is prepared to struggle for the Sakai community" and will bring their problems to the Danish parliament (Down to Earth 2001). In January 2001, members of the Sakai community staged a protest action at the company's headquarters in West Dumai. They demanded that land compensation be immediately paid that month.

Weeks followed and the youths took over at least 20 cars owned by the contractor companies as a protest action on the company's refusal to employ them. Then the police arrested more than one hundred Sakai people in Mandau, Bengkalis District, after they refused to return the cars. But the community leader, M. Yatim, rejected the involvement of the Sakai youth in this incident. He accused other parties of trying to give a bad image to the Sakai community.

### **Protecting foreign investors and violating human rights**

In 2002, vice-president Hamzah Haz addressed "Security disturbances" experienced by Caltex/Chevron Texaco. He charged that "security disturbances" experienced over several years were on the increase. Caltex pressured the Indonesian government to take action on this problem.

"Caltex has operated for more than 50 years in Indonesia. This company has experienced periods where security in Indonesia was quite good and quite bad. Because of this, we hope that security problems will be better in the future and we continue our investment," stated Vice Head of Directors from Chevron Texaco Corporation, Peter J Robertson in 2002 (Tempo Interaktif, 2002).

Robertson lobbied the Vice President and described the situation of protest around



Caltex over the last few years. To protect its plant's facilities, it had hired security from outside the country. Caltex contracted Group 4 Falck Securitas, an international privately owned security firm with the task to provide security management (Kompas, 2001). Group 4 Falck Securitas is based in the U.S. and has representatives in Jakarta and uses professional security forces including pensioned retired members of the Indonesian military (TNI).

Caltex is not alone in contracting out private security forces for protection of its operations. Before Caltex's contract with Group 4 Falck Securitas, they also held a contract with Tri Patra from Indonesia.

Group 4 Falck Securitas has the role of providing security and security management for PT CPI. They also involve old forces using the Tri Patra that is comprised of more than 400 people. One source quoted in the press states that apart from handling the old security force, retired and members of the Indonesian army and navy will be hired. Group 4 Falck Securitas also involves professional security forces from the U.S.

In public, Caltex states that this foreign owned security forces will not be sent to community protests around the company's site but will be used more so in providing security management. The duties of policing will come from authority of the police.

The argument used by Caltex that is clearly the decision of using particular foreign security forces and pensioned off members of the Indonesian military is a trend where the military/security is involved in securing transnational business projects. This model has been in use for a long time for such oil and gas multinational corporations operating in Indonesia as Unocal (in East Kalimantan, and ExxonMobil in Aceh. This is a mutual relationship where both parties benefit, in this case Caltex, and the security forces. Of course, the funds paid to the security forces are no small amount. In addition, if protest actions are frequent, then more funds are increasingly paid.

The situation is one in which the community is usually the victim of human rights abuse, violence, and intimidation. In the blockade action against PT Caltex on January 27, 2000 for example, 15 people were wounded and five were hospitalized. They were victims of brutality of the Brimob security forces paid for by the company.

The arrogance of the security forces appears repeatedly with the arrest of community members in demonstrations like the rice farmer protest action that was held on November 6, 2000. Farmers unsatisfied with their land forcefully taken over by Caltex set fires in the Caltex oil field. As a result, five people were arrested. They were Opu Taruli Panjaitan, Evi Boru Manurung, Jitu Panjaitan, Tambelan Surbakti, and Erwan Surbakti.

Sadly, this violent action in 2000 was not the only incident. Security forces often exercise brute force on participants of protests and actions who demanded land compensation and fair profit sharing. This sometimes ended fatal.

Violations of human rights have become common with the security forces. Probably, they cannot secure the operations of the foreign investors without violence or authority. These conditions up until now have exploited the citizens living in the areas of these

multinational operations and Caltex is no exception. They have become regular victims of human rights abuse. When the company took over the land, they were inhuman to the people and ignored their rights. Demands that the company pay adequate land compensation fell on deaf ears.

Unfortunately, the security forces that should be protecting the citizens of the state have chosen to protect foreign investors like Caltex instead.

### **Toxic waste contamination without legal process**

Caltex, backed by a huge company, speaks of how its operations are environmentally sound and respectful of local communities. Nevertheless, this is not reality. Caltex, like other large companies, use such phrases as operating “while meeting strict guidelines” when they are in a position of authority and fail to take responsibility for contamination caused by their operations.

Research results done by the Rokan Hilir local environmental control agency (Bapedalda) on the toxic waste of PT Caltex Pasifik Indonesia recently found that three fields operated by PT CPI were contaminated with toxic waste classified as B3. The three locations were GS Benar, GS Sintong and the North Menggala Well. The agency announced these findings formally in a letter (No. 110/WD/Bapedalda/IX/2001) to the District Head of Rokan Hilir in Bagan Siapiapi dated November 21, 2001 (Riau Mandiri, 2005).

Oddly, for more than three years, there has been no serious action taken on this case by parties involved even though laws are being violated. In this toxic waste contamination case, there is crude oil being extracted from the Duri oil field and Caltex acknowledges that this waste is dangerous and toxic (B3) and is mixing with the sand (Antara Senin, 2000).

Unfortunately, the Rokan Hilir environmental control agency (Bapedalda) can only show the facts but cannot do anything about this contamination. Their results show that waste sediment analyzed found heavy metals at levels above guidelines. Analysis of the sediment found that several parameters like levels of chloride, sulphate, mercury, phenol and oil content exceeded guidelines. Bapedalda recommended that these areas contaminated with B3 waste be handled seriously.

The condition of the sludge in the areas around GS Sintong and GS Benar has remained in the form of liquid waste. Therefore it has been concluded that the condition of the land covering the sludge is a result of PT CPI past activities.

It is not strange that Bapedalda found these results of toxic waste contamination around PT CPI's operations. For the past three years, there has been no concrete action taken by the Bapedalda in Rohil to eliminate the spreading and impacts of the B3 toxic waste.

Even though Bapedalda shed itself of responsibility, the Bapedalda found it difficult to place the responsibility for such contamination even though the samples were taken around the oil wells of PT CPI. "There is contamination in the locations in question. Who did this contamination requires further evidence," stated a Bapedalda letter to the district head of Rokan Hilir.

Meanwhile, the Riau provincial government alone has much to do. The Riau province recently compiled data related to the claims of B3 toxic waste contamination over 788.5 hectares of land around PT CPI's operations. It promised to have a team go to the field to find evidence of contamination so that they can take the appropriate legal action if required.

Both the Riau and Rohil environmental impact control agencies (Bapedalda) based on the initial research results Riau found there was indication of environmental contamination like that described by the community. These indications included wastewater from Caltex flowing into swamplands that were former lands where Caltex had its operations. These lands are now barren wastelands.

The findings of the Rohil District environmental impact control agency (Bapedalda), the Riau provincial government and the community also reinforced the findings of the Sucofindo environmental team who also found indication of toxic waste in the GS Benar, GS Sintong and North Menggala Well areas. The question now is whether legal action will be taken on the environmental contamination caused by Caltex; whether the Riau provincial government and the Rokan Hilir District are being asked whether they have the courage to struggle for the rights of the people and resist the company that has "given life" to them.

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## **Strategies with communities**

The company relates with communities in diverse forms that vary according to the conditions of the country and place. The company makes use of direct pressure, collaborating with armed forces and sometimes working through missionaries and anthropologists.

What they do is introduce themselves as the companies that will satisfy the needs of the local population.

## **Charity to create local dependency**

The company presents itself as being a charitable company that provides for communities demands, which the States do not fulfil. In its web page, the company says it has invested \$50 million dollars in education, health, art, cultural, environmental and other social projects at a global level. Though this gives an image of being “socially concerned” eminent anthropologists who recognized in it a form of social control long ago denounced the company:

*“Every company aims to completely organize the social and cultural life of the local population it impacts over and from which it obtains its labor force. Here we could mention the historic studies on, for example the French company Michelin or Citroen or press articles on the Coca Cola, MacDonaldd, IBM transnationals or others in Poland and Russia. All these companies `attend to the local peoples needs’. The school, health center, and many other services, which should be public (water, electricity, transport, roads, etc. even the cemeteries are financed and organized by the company) (Rival, 1996).*

The Bakola indigenous people, who live in the Cameroon forests and are part of the commonly known “pigmyies”, have also been affected by the oil pipeline, which has disturbed their communities leaving only insignificant economic benefits in exchange.

*“During construction of the pipeline, the chief said, small game fled deeper into the bush, communal fruit trees were cut down, and medicinal plants were lost. Only three men out of about 20 in the village got temporary work. The chief said the oil consortium sent representatives to Maboulo several times and promised to build new housing as compensation. “They have been making promises for two years, but we are still waiting,” he said. “It’s like a tree that dies and falls in the forest. You can wait and wait, but it will never rise again” (Silverstein, 2003).*

These investments are a strategy on behalf of the company to build dependency from the communities in areas where the company operates.

*First, we listen to what the needs of the community and local government are. Then we commit ourselves via alliances of mutual benefit. Together we become a powerful force to bring about positive changes in the community. Wherever we operate, local communities benefit. (ChevronTexaco, 2005).*

Investments in social programs are part of a strategy to gain presence and acceptance in areas where they have to face local resistance. For that reason, they do not address their

“help” to the local needs or to the areas with greater needs, but instead to areas where the industry is most fragile.

For example, the company has directed social investment to Mexico, Venezuela, Angola and Kazajstan with clear intentions of benefiting themselves from the opening to contracts with private companies.

*In Toluca, Mexico, we established a continuous program of Family Science, which includes workshops to improve scientific skills. During its first 10 months, 32 workshops were carried out, with more than 60 participants in each one of them. We also inaugurated a new Family Science Center, which is dedicated to improve scientific skills and technology, as well as to increase the number of Mexican students – women in particular–enrol in scientifically based careers.*

*In Venezuela, we built 11 schools where 4.500 students receive an education of better quality.*

*In Angola, where a large number of people have been separated from their families due to civil war, we support a center for homeless people that educate and trains young women to enter the labour force.*

*In Kazajstan, we provide mobile clinics in areas far from urban centers where communities previously did not have or had very little medical assistance (ChevronTexaco, 2005).*

The company has double standard behaviour: on one hand, it presents itself as a charitable company, which will meet the needs the State cannot fulfil, but when they commit abuses or when they do not fulfil offers they made or destroy natural resources, they lay the blame on the State.

With these projects, they acquire importance, a presence and the capacity of negotiating in those countries, some of which protect their hydrocarbon resources by keeping them under State control.

Presenting themselves as a charitable company allows them to obtain favourable agreements. In reality, this is a cheap insertion campaign because for the investments they make in relation to social development or community support projects they end up charging the States within the operational costs. They are the winners on every count. The company’s argument is to contribute to development and to share risks:

*Working in international alliances with our partners Texaco has been able to share risks, capital, technologies and experiences, (...) We have also contributed to the economic and social development of every country in which we operate...(ChevronTexaco, 2005)*

Their operations in Venezuela are a very illustrative case. Chevron-Texaco and Shell, which for many years have exploited carbon mines in this area “only bring contamination and illness”. “They destroy our agriculture, they are going to drain our water and finally end our lives”, says Cesareo Panapaera Cacique spokesman for 23

Yucpa communities in the highlands of Tokuko, 600 kilometres away from the capital. To extract carbon “water is contaminated, rivers are obstructed, the air that is breathed by men, animals and plants is contaminated, the landscape which is habitat for original and ancestral people is altered, and peasant farmers and indigenous people are forced to leave the land they work”. “For years the rivers and estuaries have been contaminated with chemicals, detergents, and carbon residues”. “When carbon goes by the communities breathe smoke”, he emphasizes. “The animals are born with deformities and malformations and human health is at risk” (Hinostrroza, 2005).

Consider the case of Mexico, where the company wishes to acquire more presence. There, the company is building a re-gasification plant on the Coronado Islands and on the Costa Azul, which has received big criticism from environmental organizations and the local population (Jornada, 2005).

The consortium made by ExxonMobile Corp. and its partners ChevronTexaco Corp. and Petronas of Malaysia entered Chad and Cameroon with optimistic promises of “development”, jobs, and progress. However, most of the jobs have been temporary and have not lasted any more than a few weeks or months. Only about 400 Chadians will obtain regular jobs at very low wages (as drivers, security guards, etc), while in Cameroon the figure will not surpass a hundred employees. The average wages for the Chadians that would work on the pipeline will reach the 225 dollars per month, significantly less than the foreign workers income, although three times the minimum wage in Chad. Although there were many promises about job creation, this was actually minimal. In Mpango, a village of about 600 people a few miles from the pipeline's end on the Atlantic coast of Cameroon, a bulletin board nailed to the wall of Chief Savah's mud-and-wattle hut offers jobs on the pipeline. However, the chief, wearing the matching shorts and jersey of England's national soccer team, said only 10 residents were able to get jobs, all short-term. (Silverstein, 2003).

In reality the risks, social work, health offers, education and conservation costs are always borne by the governments.

In any case the “companies’ social investments” have catastrophic impacts on the people, and these initiatives have often created conditions for the people to resign of their sovereign rights.

The “Company’s contributions” are nothing but the abusive appropriation of the countries’ resources. In Colombia, for example, they say they have contributed land for the building of the city of Velasquez as well as roads, schools, a hospital and other infrastructure to promote community growth.

In Saudi Arabia, after having built the “oasis” with homes, hospitals, schools and shops.... “*we managed that the Chief Agronomist from the Department of Agricultural of the United States, advised the Saudis so they could develop their agriculture on their arid lands*” (ChevronTexaco, 2005).

While the company builds this charitable image around the world, like with a 50 million dollar investment only in Ecuador, in the court case against Texaco alone the estimated damages are equivalent to 6.6 billion dollars. This figure is only for one country and just for environmental damages, since the social and health damages are not contemplated.

## **New social dependency through sustainable development**

Ten years after Rio de Janeiro, we are witnessing the failure in the application of the proposed agreements to achieve sustainable development. The States, instead of committing to their citizens, committed to the companies, even though they are to the greatest extent responsible for the proposed goals that have not been achieved. During the World Summit on Sustainable Development held in 2002, a notorious step was taken by the companies, which went from being mere pressure entities for the governments to protagonists of the “sustainable development”. They sat in the meeting at the same level as the governments.

The companies formulate the so-called sustainable development discourse in such a way that besides being an image builder, it actually bows to a strategy of dependency building and control of the space, rather than an environmental or sustainable development consciousness.

The United Nations, as well as other multilateral organizations, have launched a new strategy, Public-Private Partnerships (PPP). In these initiatives, the transnational corporations have prime interventionist platforms and their power have contaminated the heart of the United Nations. They hope to use this space to buy into a new area of investment, which “sustainable development” and the environment represent.

These PPP initiatives are constitute of projects between transnational companies, the State, NGO's and local communities.

The corporations are using this strategy to acquire a status equivalent to that of the States. This can be seen in the 1999 Global Compact, where the world's main corporations bound in the International Chamber of Commerce (ICC) reached an agreement with the United Nations, but which in reality is only a way of “greening” their image.

The proposed solutions via the Private-Public Partnerships generate worse problems than those that are supposed to be solved, and constitute a threat to the possibilities of finding alternatives to the transnational company model. With this approach, the companies can intervene in all countries, impose their agenda, and avoid any control over their activities.

The Private-Public Partnerships are going to fill the space that is being created with the deliberate destruction of the States, which have the function of guaranteeing the rights and access to services by the population. With this, not only will the State heritage be transferred to private companies, but also they will be subsidize and given the environmental control as well. The companies will then control the basic services (drinking water, energy, rural development) and will intervene in areas such as agriculture, food supply, education, alternative energy, biodiversity conservation, etc. In the past these activities and services were not profitable for the companies, but with these initiatives they will receive subsidies both from the donor as well as from the receptor country. With this strategy, the companies go from destroyers of the planet to become the supposed saviours of it. (Oilwatch, 2002).



Within the United Nations framework, ChevronTexaco has already signed various Partnerships on health, education, agriculture, youth, and women empowerment (whom they have killed when they are empowered as in the case of Nigeria).

The initiatives subscribed to by this company include the Angola's Enterprise Fund, a 50 million dollar partnership with UNDP and the government of Angola signed on November 2002 (ChevronTexaco, 2005). This agreement is the first in recognizing the symbiotic relationship between developing countries and a multinational corporation.

ChevronTexaco also has agreements, for example with PNUD and Citigroup in Kazakhstan to provide a system of small credits to local communities. In Nigeria, it has agreement with the Nigerian Conservation Foundation (NCF), affiliated to the WWF. This latest partnership is for the conservation of mangroves and as a result, the NCF has been compensated with the construction of the Lekki Conservation Centre. However, Chevron has not achieved any level of decontamination or reduction to the mangrove destruction, which this company is responsible for in Nigeria.

The offers made by this company should be judged not by the new offers, but by an evaluation of what they have done through the company's "social assistance" policies.

## **Eighty years of Texaco in Colombia**

### **CENSAT-Colombia**

#### **A most undesirable old man**

In 1926, the Texas Company arrived to Colombia, and it did not do it as an oil company but as a landlord dedicated to buy more and more land in the Magdalena Medio region. After 20 years of exploiting the profitable wood resources of the lands it had acquired at ridiculously low prices, it discovered the Velasquez field giving rise to one of the most important resource exploitation in the country and to one of the greatest environmental disasters of the last sixty years in Colombia: the contamination of the Palagua wetlands.

With such enormous guarantees, Texaco started a never-ending story in this country in search of crude oil, everywhere and at whatever cost. They started at the heart of Colombia, the Magdalena Medio, and then extended to the country's north coast to the Amazonas, Caqueta and to the Vaupes, the Putumayo, the eastern planes, the Tolima department, the Pijao and the Cofan territory. They entered these regions destroying everything in their way, either human or natural, and they simply abandoned the places where no significant reserves were found. However, the places with greater resources did not suffer the same good fortune and were devastated.

Here is its binnacle:

1. Let us start with the Velasquez field of which there are only environmental records from 1985, year in which the National Institute of Natural Resources Incora, which preceded the Ministry of Environment, initiated the environmental follow up of Texaco's activities in the region. Thirty years of total impunity reflect the environmental disaster. Large areas of the lowland wetlands of the Cienaga de Palagua were contaminated with heavy crude oil and complaints

were registered from the fishermen of the area due to frequent oil spills on that body of water (Avellaneda, 1998). During the same period, the fields started to be reverted to the Colombian Petroleum Company Ecopetrol, which inherited an enormous environmental debt because of the over forty-year contamination of the wetlands from the toxic waste of the oil fields.

2. In 1963, Texaco and Gulf made important discoveries of crude oil in the Colombian Amazon basin, in the department of Putumayo where they exploited the well Orito 1 for more than 10 years, carrying the crude oil through the Trans-Andean pipeline, which after 307 kilometers reaches the port of Tumaco on the Pacific coast. *“After 1973, the production decreased in the area of Putumayo and the well was reverted to Ecopetrol in a deplorable state. This led De la Pedraja to exclaim that Texaco and Gulf had left a legacy of irreparable damages similar to that carried out by the ancient pirates”* (Avellaneda, 1998).

The people who settled in the areas of exploitation were mortally affected by this oil exploitation in their territories, which was a constant in Putumayo and in any other place. The testimony of Hernando Criollo an indigenous Cofan of the indigenous community of Santa Rosa del Guamues, tells of the situation:

*“During my grandparents’ time we lived out of hunting and fishing, today the old people, who have stayed and survive, suffer because of the extermination of the fauna, because of the destruction of the forest, because they cannot hunt anymore. See how they have left us the trenches and the contaminated pools”* (Avellaneda, 1998).

3. The Momposina depression north of Colombia is formed by the flooding of the Magdalena, Cauca, San Jorge and Cesar rivers, which give rise to a complex network of branches and trenches with more than sixteen flood plains at the lower part of the Magdalena basin. Its social and environmental value is such that it has been categorized as a Ramsar site. However, such a fragile and extensive system started to be destroyed when the oil exploitation started in the region, around 1956 when the Colombia Petroleum Company was granted the Cicuco-Violo concession. Behind this oil company were Texaco and Socony Mobil.

After twenty years of continual and indiscriminate exploitation the Cicuco and Boquete fields were reverted to Ecopetrol, who received them depleted and who also inherited the environmental and social debt generated by the exploitations as well. “In 2001 the Monitoring department in charge of the environment carried out an environmental audit of the Cicuco-Boquete oil fields area of influence, Bolivar, in which it was calculated that the contamination charges were above those established by the Colombian law” (Roa, 2004). The exploitation has an area of influence of 50 thousand Ha, affected by the impacts to wetlands and flood plains, which previously were home of a rich diversity of aquatic and terrestrial life. Here was also Texaco.

4. In 1936, Texaco and Mobil bought the rights over Catatumbo, which was part of the controversial Barco concession that provided an opening to the multinational companies and foreign capital into the country. Three years later the crude oil

began flowing via pipelines to the Atlantic coast. The ecocide, and the genocide of the indigenous people of Bari, ancestral owners of Catatumbo, were the worst affected by the oil exploitations in the region; hundreds of indigenous people were assassinated. It is estimated that at the beginning of the century the Bari population was about two thousand five hundred number that decreased in the eighties to only fourteen hundred.

5. Most recently, Texaco has been seriously questioned due to its apparent links with paramilitary groups with which they have been “cleaning the path” of future obstructions, human of course, which will cause them trouble when the time comes to exploit the resources. The researcher Hernando Calvo Ospina tells what happened in these words: “in 1987, with government approval, economic groups, landowners, and drug traffickers hired the Israeli security company Hod He, Hanitin (Spearhead Ltd.) to train paramilitary groups. Former Israeli army high rank military commanders and Mossad, as well as former commandos of the British SAS used military headquarters and Teas Petroleum Co. land, for such purposes. These mercenaries taught terrorist and anti-insurgent techniques, with which they clear the banana and oil areas of “suspects” of supporting the guerrilla. Between 1987 and 1989, the “graduates”, with the army’s logistical support, carried out “around 40 peasant massacres”.

The situation was repeated recently with a massacre of the indigenous people of Wayuu in Guajira, and many other groups were displaced from Bahia Portete by the paramilitary apparently for the “settling of debts”, according to their version. However, various investigators point out that the purpose of these massacres is to decimate the region where there are conceived projects, more so when the Guajira is Colombia’s energy epicentre: coal, gas, eolic possibilities, salt, and various other resources in which Texaco has serious interests. The interest includes the construction of the Colombian-Venezuelan pipeline where they will participate.

Moreover, just few months ago the Colombian government prorated Texaco’s gas exploitations in Chuchupa, which should have been reverted to Ecopetrol. According to congressional representative Jorge Robledo “The losses are enormous”. Anybody would ask why, could it be because of the lobby Texaco and other companies in the sector did at the North American Congress to pass Plan Colombia?”

“Retired North American army official Stan Goff who in 1992 was in the Special Forces training battalions of anti-narcotics Colombian forces, assured that the US secret objective in Plan Colombia is the oil. He said it has to do with protecting OXY (Occidental), the British Petroleum (today merged with the North American Amoco), and the Texas operations and to assure control of future Colombian fields. Geologists say that production started to decrease and demand continues to expand, therefore the reserves are critical” (Lucas, 2001).

Texaco is close to celebrating eighty years in Colombia: the octogenarian grew as well as all the impacts it has caused to the Colombian nation. Its photo album cannot show anything but destroyed ecosystems, subdued people, and extinguished cultures. Texaco’s history in Colombia is the same as that in Ecuador and in any country, which has experienced its presence. Even though its old age still has strength to continue harming us, nevertheless there is a saying in Spanish “*no hay mal que dure cien años ni*

*cuero que lo resista*” that more or less reads, “there is no illness that could last a hundred years nor a body that could tolerate it”.

We hope they do not get to a hundred. Eighty years is enough!

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## **Legal responsibility vs. impunity: Lawsuits in Nigeria and Ecuador**

Among the different complaints, the company has faced, to negate any impacts has been prevalent, and the company has always with relied on the support of their government- the government of the United States of America.

The government support to the corporation goes far beyond any contract or internal agreement. The political support has been also felt and has become a clear slap on the back for the difficult situations this transnational is facing in countries like Nigeria and Ecuador. In both cases, lawsuits are pending and in both cases the U.S. government has intervened, supporting the company and pressuring local governments.

In the case of Ecuador, the lawsuit was one of the issues the government needed to solve before signing the Free Trade Agreement. In the same way, it has been discussing the subject of Ecuador's elimination of the Trade Preferences' List, established in a unilateral manner by the United States. On March 17 2005, Chevron Texaco sent a letter to the U.S. government that says:

*“The Republic of Ecuador and Petroecuador have failed in adjusting to some contractual obligations with ChevronTexaco and TexPet including obligations to*

*1) Intervene, in favor of ChevronTexaco in the litigation.*

*2) Assume, through Petroecuador, all the lawsuit expenses, which they are responsible for because of their part in the contract.*

*3) Provide proper insurance for indemnification to ChevronTexaco in case of any adverse judgment.*

*4) Provide proper insurance which reimburse additional remediation activities that the court or other legal body, would require for the Oriente region of that country”.*

In 1999, the Bowoto vs. ChevronTexaco case was filed in the United States, where they “stated that the defendants violated the United States set of legal standards. The plaintiffs are looking for compensation, sanction and other repairs...” The case was accepted on October 2003. Nevertheless, five months before the case was accepted, the United States Secretary of State, Colin Powell awarded the “Corporate Excellence” award to ChevronTexaco. Dave O'Reilly representing Chevron Nigeria accepted the award. ChevronTexaco is the first transnational oil company that received this award (Drew, 2003) “because of the good performance and service provided overseas”.

Thus, ChevronTexaco argues that the impacts on health like the increase in cancer levels, abortions and skin problems, which have been reported by medical research in Ecuador, are due to the lack of investment in health by the Ecuadorian government and to the people's lack of education.

In the lawsuit that ChevronTexaco faces in the Ecuadorian courts, the company's defense against accusations of dumping millions of gallons of toxic water in the Ecuadorian Amazon jungle, are offensive statements like:

*“Texaco Petroleum strongly denies the claim that it dumped "toxic waste-water" in the Ecuadorian Amazon... Two internationally recognized and independent consulting firms conducted environmental audits in the region... When the oil was produced, the water trapped in the geological formation was brought to the surface - this water is called produced water. A separation process was used to remove the oil from the water. Once the oil was separated from the water, the water was then discharged into nearby rivers and streams. This process is used today in other parts of the world” (Texaco, 2006).*

So, while lying with cynicism in the first paragraph, it accepts the toxic emission as though it was a normal procedure.

There are other cases for instance where it answers to other complaints from the plaintiffs related to the use of old and dirty technology, in the following way:

*“Examples of oil producing nations that today allow the discharge of produced water rather than injection into the ground are the U.S., Mexico, Brazil, Colombia, Indonesia, Kuwait, Angola and Nigeria, along with Ecuador. In California, one of the most environmentally sensitive states in the U.S., local farmers use produced water from nearby oil fields to irrigate their crops. The often drought-stricken San Joaquin Valley needs the water to grow the millions of pounds of food it supplies annually to the U.S. and other parts of the world” (ChevronTexaco, 2006).*

In other occasions, it made false statements about the oil spills, for example in the State of Pará, Brazil, close to 500,000 barrels of crude oil were spilled (1.8 million litres), ChevronTexaco told the press that there was no risk happening around this spill, because the deepwater temperature in the river was cold and that this would have made the oil very glutinous (Reuters, 2000).

The charitable face of the company wishes to conceal itself as a destructive transnational, which purposely uses a polluting technology and that lies openly without any scruples, even as far as inviting use of highly toxic water for consumption.

The price awarded by the Bush administration, was given because of their operations in Nigeria. It said that Chevron equipped 54 schools along the Níger delta and also provided medical assistance and support for the region’s teachers. The award was just a show due to the indictment in a California Court because of the slaughter carried out by the company right in the Niger Delta region. Similarly the text of the award recognized their support to AIDS prevention programs, ignoring that their own platforms are places for the spread of that illness.

In 2002 ChevronTexaco had to pay US \$4.3 million in fines for 82 complaints, due to environmental causes, and the transnational is well known at a worldwide level for transgressions of a wide range of social issues. For example, both companies have been sanctioned by the legal system because of gender and racial discrimination cases, environmental racism, and failure in recognizing their workers’ rights. The environmental violations in two of the largest refineries of the world have been many (Townsend, 2000). As it is expected, their record is much worst in developing countries. Both companies have been accused of corruption, exploitation, environmental disasters,

and human rights abuses. These accusations have been reported from Russia to Western Africa and even China.

ChevronTexaco has recognized that they have not complied with all the governmental regulations, in their facilities, because of which they have been sanctioned. They have paid the majority of the fines for problems in operations within the United States: *“US\$1.55 million for groundwater contamination near the El Segundo Refinery in California; US\$750,000 for environmental violations at upstream operations in Rangely, Colorado; US\$869,992 for environmental violations in Aneth, Utah, upstream operations; and US\$250,000 in penalties associated with a fire at the Aneth gas plant”* (ChevronTexaco, 2002 CR Report).

In 2002 ChevronTexaco was sanctioned with a 2 million dollar fine because of a spill that occurred in Angola in 2000. The spill which could easily overpass 30,000 oil barrels, revealed that their infrastructure was obsolete and that it was not possible to repair it, due to this ChevronTexaco had to technically stop their operations. Nevertheless, the first thing it did was deny the allegations but it later accepted that only nine barrels spilled and that the only thing damaged was its image. The transnational has also caused spills of chemicals used for refining and perforation, and recognized the loss of 135 metric tons of waste.

Journalist Rafael Marques, who was sent to jail because of the article “The Lipstick of Dictatorship” in which he criticized Eduardo Dos Santos, Angola's president for the last twenty-five years, *“took a film crew to a shanty town typical of how most of the country's population live,”* where *“conditions are so primitive that one in four children die before the age of five”* has said that *“If we ask the oil companies, the first thing they will say is that this is none of our business. We're here to make money...”* (The Oil Curse, 2004).

Angolan fishermen were harassed by Chevron's security forces in cahoots with US mercenaries. From helicopters, they threw a chemical substance to the sea, the same substance that was used in two spills, which occurred in December 1999 and July 1998.

Chevron paid 200 fishermen \$150 each for the 1999 oil spill. The other 350 fishermen took Chevron to court because of damages related to that spill.

In 2002, ChevronTexaco received 196 fines or settlements for noncompliance with health and safety regulations at their facilities (ChevronTexaco, 2002 CR Report). According to information provided by the same company, that year the company had 1,502 oil spills with a volume of 55,000 barrels spilled. Oil production in the same year was of the order of 638 million barrels with a total sale of 1,400 million barrels. According to the transnational only 1% of the spills go into the water streams and half is recovered (ChevronTexaco, 2005).

These numbers given by the company are false, because the recovering capacity of crude oil never reaches a 10% mark and the spilled oil ends up polluting the water sources, besides there is always an attempt to minimize the number of oil barrels spilled.

#### ChevronTexaco Petroleum Spills\*

	1999	2000	2001	2002
Number of spills	2,169	1,553	1,428	1,502
Volume of spills (barrels)	164,686	34,460	54,834	54,696
Volume recovered (barrels)	-	-	48,348	27,805

\*1999-2001 data are combined Chevron and Texaco. 2002 data are ChevronTexaco.

Note: Prior to 2001, volume recovered was not tracked at the corporate level.

The company does not take on gasoline spills like the ones in Nicaragua and Surinam that happened at the gas stations level, although there are lawsuits from their respective national authorities.

ChevronTexaco recognized two significant spills in the year 2002. One in Panama of about 14000 barrels that occurred in a storage center, and another one in Nigeria of around 18000 barrels because of fire that started on the tanks.

However, it does not recognize hundreds of spills, which happened during its operations. For example in 1986, at the Panama Refinery owned by Texaco, a spill of around 8 million litres of crude oil occurred. This spill was of such dimension that deserved the creation of a special program of the Smithsonian Tropical Research Institute to study the effects of the spill on the ecosystem. By 1995, there was another oil spill at the Las Minas, this time 4000 crude oil barrels were spilled, destroying the area mangroves and killing a whale that was stalled at the seashore. Only in 1998, 63 spills happened, between small and not so small occurrences. In the Balboa and Cristobal ports, the main Pacific and Atlantic ports, a total of 337 spills occurred, many of those were done by ships linked with this company, which were just in transit or supplying crude oil to the storage facilities in both coasts (Oilwatch Panamá, 2004).

The company accepts and declares it has invested in environmental projects in Sumatra, Indonesia, thus in waste reinjection projects, US\$50 millions. In Kazajstan it invested US\$16 million in waste management and in Venezuela US\$1.8 million also in waste management at the Boscan Oil field. All these investments announced as “environmental investments” are in reality infrastructure for production.

They award recognition for themselves, like for example:

*The “environmental 2001”, from the Petroleum Institute for our efforts in protecting biological diversity in alliance with the World Wide Fund for Nature, World Wildlife Fundation (WWF), for preserving the ecology and rare fauna in Papua New Guinea, and for supporting the communities that live there.*



*...we won Nigeria's Federal environmental protection Agency 1999 award of outstanding environmental Achievement in recognition of our contributions in promoting environmental protection and conservation of the natural resources.*

## ***The Lawsuit against ChevronTexaco in Ecuador***<sup>14</sup>

### **I. Background**

The lawsuit recognizes that the Government of Ecuador, on 5<sup>th</sup> March 1964, signed a contract with Texaco-Petroleum Company (Texpet) and Ecuadorian Gulf Oil Company (Gulf) to explore and to exploit hydrocarbons in the country's eastern region. TEXPET was designated the Consortium operator, and as such assumed the technical responsibility for the execution of the hydrocarbons exploration and exploitation activities, in accordance with the Joint Operation Agreement signed on 1<sup>st</sup> January 1965. The Consortium operator's designation was confirmed, when the contract between TEXPET, Ecuadorian Gulf Oil Company (Gulf) and the Government of Ecuador was renegotiated on 6<sup>th</sup> August 1973.

In May 1977, Ecuadorian Gulf Oil Company sold its shares to CEPE and with that, the state company became the owner of 62.5% of the consortium's assets. In spite of these changes, TEXPET continued as operator and in the role of, technical partner responsible for the execution of the consortium's activities, until June 30<sup>th</sup> 1990. Nevertheless, TEXPET's participation in hydrocarbon exploration and exploitation in Ecuador did not end until June 1992, when the contract expired.

During its period of operation in Ecuador, TEXPET drilled and exploited its own wells and installed the flow stations in what today are the Lago Agrio, Sushufindi, La Joya de los Sachas, Cascales, Putumayo, and Orellana districts. TEXPET was a TEXACO Inc. subsidiary, economically, technically, and administratively subordinated to the policies and directives of its parent company. Thus, the decisions related to the exploration and exploitation methods, procedures, and techniques applied by TEXPET in Ecuador, were conceived or at least known and approved by TEXACO INC.

In the hydrocarbon exploration and exploitation operations carried out by TEXACO through the agency of its subsidiary company TEXPET, the methods and procedures adopted were abandoned and prohibited in other countries, because of their lethal effects on the environment and on human health.

### **II. The polluting methods used by TEXACO:**

1. When drilling, TEXACO used several chemical substances mixed with water to cool down and to lubricate the drilling system. These substances are extremely toxic. During the final phases of the process, heavy metals were added, to avoid oil spewing to the surface due to pressure. These are also highly toxic chemicals. All of this was mixed with rock fragments, silica, rubble, and other solid waste from the subsoil, forming what is called drilling mud which, when not poured into the estuaries and river's streams, was accumulated in a pool next to the well. That was just a simple hole on the surface.

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<sup>14</sup> Wray, Alberto. Denuncia Aguinda Vs Texaco, Presentada en el Tribunal de Lago Agrio.

Because neither the walls nor the bottom or floor of the pit had been prepared with waterproof materials, a flux of filtrations continuously occurred that polluted the soil as well as the currents and deposits of subsoil water. Additionally, because pools were open, rainwater made them overflow because of an increase in volume.

2. Once the well was drilled and before it was connected to the pipe for the transportation of the crude oil, tests took place during which the extracted crude oil was poured into the pools.

3. Oil is not in a pure state in the subsoil, but rather mixed with water and other substances. In order to take advantage of the crude oil, it is important to separate them. This process was done at a station where, through pipes, the crude oil from the wells in the area was taken. Generally, at each station there were two tanks, connected to each other by a pipe system installed on their lower half. Crude oil floats over the water, so that in the first tank was produced a separation, because water passes through the lower pipes to the next tank, where the operation was repeated. In the second tank, the crude oil percentage was lower and the formation water went to a pool and from there to a second one and even to a third one, with the same procedure. On the top of the pools, remnants of crude oil were still floating. The formation water went from the last pool, without any treatment, to the rivers or natural streams.

4. Whereas the well is older and more exploited, the percentage of formation water is bigger, in such a way that as years passed by, instead of diminishing the polluting effects, these were increased. Additionally, TEXACO developed a method to make crude oil extraction easier: a procedure in which water from the natural streams mixed with chemicals was injected into the wells. This mixture came back out together with the formation water and, after going through the procedure already described, returned to the natural watercourse, but this time contaminated, in such a way that the polluting effects were multiplied.

5. It is estimated that between 1972 and 1992 TEXACO contaminated the soil, estuaries, swamps, rivers, and natural streams with 464,766,540 barrels of formation water. This formation water is highly toxic, because it contains petroleum (up to five thousand parts per million) and is supersaturated with heavy metal salts like cadmium and mercury. Instead of throwing formation water into the rivers and swamps, after being treated to remove its contaminating potential, it should have been reinjected to the same level from where it was extracted, deep into the earth.

6. TEXACO opened hundreds of wells and pools. When finishing its operations in 1992, it plugged some of them, that is to say just covered them, leaving under it all its polluting potential. Afterwards, when forced by circumstances to commit to carrying out environmental reparation tasks, they did some cleaning in many of them, but the resultant toxic waste was buried in concrete receptacles, as the so-called “sarcophagus” built next to the *Sacha Central Station*.

7. Besides, TEXACO burned waste gasses in the open air, without taking any measures to avoid and attenuate the contamination from highly toxic particles. It has been estimated that TEXACO burned around 235 billion cubic feet of gas.

8. TEXACO systematically and continuously threw crude oil waste onto the roads in the area, with the purpose of avoiding the big clouds of dust caused by the intense traffic of its personnel and equipment transportation during the dry season.

The consortium operator passed on all these methods and procedures to the local technicians through the training process. Initially, when CEPE assumed the operations by itself, reproduced almost all of the contaminating practices implemented by TEXACO in Ecuador. The application of these methods and procedures introduced, established, and applied by TEXACO caused environmental damage, harmed people's health and provoked damage to the national heritage, constituting the biggest ecological catastrophe in national history.

### **III The damages and the people affected**

1. The described procedures contaminated the soil, the natural waterbeds, and air; destroyed aquatic life, natural vegetation, and crops. Even rainwater was contaminated, because of the gas dispersion in the air, due to partial combustion of the gas flares and the burning of crude oil waste.

2. As a direct consequence of this brutal environmental deterioration, the population's health and life expectancy were seriously affected, due to contact with toxic elements, either directly through contact with the water or the soil, or by ingesting them, breathing the contaminated air, drinking the water or by consuming animal products, which had already been contaminated. In this way many were directly affected in the Orellana Province the populations of Dayuma, Puerto Francisco de Orellana y Taracoa parishes in the Orellana Canton; La Joya de Los Sachas, Enokangui, San Carlos and San Sebastián del Coca in La Joya de Los Sachas Canton. It was the same in the Sucumbíos Province; the populations of El Dorado de Cascales in the Cascales Canton; Nueva Loja, El Eno, General Farfán and Durero in the Lago Agrio Canton; Shushufindi, Limoncocha and San Pedro in the Shushufindi Canton and from de Palma Roja in the Putumayo Canton. Studies have demonstrated that almost 83% of the population have suffered diseases attributed to contamination, children under fourteen years of age being the most affected. The mortality index within the communities exposed to oil pollution is far greater than the national average. The index of mortality due to cancer in the Amazon provinces is three times the national average and five times the one in the Amazon provinces.

3. Close to 75% of the population who live in the areas near stations and wells have been affected by a total or partial loss of their crops. The native fauna and domestic animals have seen their ecosystem altered. The animals ingested toxic products through water and food or simply died trapped in the pools. Studies done in the zone have shown that 94% of the families lose animals because of oil pollution, with cows, pigs, and chicken being the most frequent victims. Besides dead animals, peasants have seen the diminishing of the reproductive capacity of their livestock through miscarriages, weight loss, sterility, and diminished milk production. To appreciate the real impact from all this, it is necessary to bear in mind that for the population of the zone, animal raising is not only for purpose of self-consumption, but also for commercialization and to build an economic reserve for hard times. TEXACO's practices weakened even more the already fragile domestic economy and provoked a real increase in poverty for the population of local farmers.

4. The side effects were especially devastating for the region's five indigenous populations, who, besides suffering the violent destruction of their natural environment, and of their means of subsistence and customs, had their future and identity seriously threatened as a nation. Thus, for example, the Cofan people have almost lost their territory and their population have been diminished permanently. Equally dramatic are the effects suffered by the Siona, Secoya, Huaorani and Kichwa peoples.

5. The harmful effect of these acts and omissions, which were normal practice in TEXACO's operations, are not limited in time to the moment when that act or omission was committed. The contaminating effects and the health risks last over time and are still present. It is not right to consider only the visible damage, but also the potential damage that contaminating materials poured in the environment will continue to cause in the future, so in addition to considering damage already caused, one must also consider the potential.

In December 1994, after the lawsuit was filed in the United States, TEXPET signed a Memorandum of understanding about environmental remediation with Petroecuador and the Ecuadorian Energy Ministry in representation of the State. The MoU was to establish the extent of such works and the way TEXPET will be acquitted, "before the Ministry and Petroecuador", from any claims about environmental impacts because of the former consortium's operations.

In May 1995, TEXPET signed with a company of her choice the execution of the environmental reparation work. On September 30<sup>th</sup>, 1998, TEXPET signed with Petroecuador a document called Final Act of Contract Compliance, for the execution of environmental remediation and discharge of obligations, responsibilities and lawsuits where it declared that with the last report of executed works celebrated on October 16<sup>th</sup>, 1997, TEXPET had completed all the environmental remediation works required on the March 1995, document.

The environmental remediation done by TEXPET was either insufficient or not executed adequately. The fact is that today there are still polluting elements pouring into the environment because of the inadequate and harmful practises employed by TEXACO. These are still causing ecological, environmental, patrimonial, and individual damages, that neither the company nor its subsidiary has repaired.

On October 9th, 2001, the merger between TEXACO INC. and CHEVRON companies was sealed. Because of this, a new juridical person named CHEVRONTEXACO CORPORATION was born, which inherited all the rights and obligations of the former companies. This company has its headquarters at 6001 Bollinger Canyon Road, San Ramon, California, 94583, in the United States.

#### **IV TEXACO's responsibility**

1. The employment of a subsidiary company, in this case TEXPET, created to manage operations in Ecuador as a different juridical person, with a tiny capital base, immensely inferior to the real size of its operations, correspond to a planned scheme with the obvious purpose of limiting the impact of any claim derived from its activities in the country. Actually, TEXPET was no more than a curtain behind which, TEXACO INC operated, control, and owned its capital, by itself or through its associates.

2. In fact, TEXACO INC., managed, supervised and controlled the Ecuador operations of its subsidiary company TEXPET and established the operating procedures and the techniques to be employed in the exploration and exploitation of hydrocarbons.

3. Long before TEXACO and its subsidiary initiated oil exploration and exploitation activities in Ecuador, the oil industry developed alternative procedures to avoid contamination from formation water. It also said the discharge of such waste into ordinary water currents or in the environment was expressly prohibited by the legislation of the oil producing states in the United States, like Texas since 1919 and Louisiana since 1953.

4. In 1971 and 1974, TEXACO itself had obtained United States patents for technological improvements for formation water re-injection and knew perfectly well the United States environmental authorities' recommendations of 1976 regarding the need for the disposal of toxic waste content of formation water, through the subsoil re-injection system.

5. Even though knowing the toxic nature of the techniques, methods, and procedures that were used in the activities related to hydrocarbon exploration and exploitation in Ecuador, and the harmful effects to the environment and health, TEXACO INC did nothing about them. Moreover, TEXACO allowed these techniques to remain for over 25 years, instead of adopting alternative techniques, more secure and less noxious to the environment and health, of which TEXACO had sufficient and operational knowledge. Obviously, polluting practices were cheaper, so Texaco preferred the environmental degradation to the reduction of its profits.

6. In fact, from the very beginning of its operations, TEXACO paid no attention to the well-known indicators, like optimum practices within the oil industry and procedures recommended even by them and applied in the United States and in other countries.

7. TEXACO's established practices failed to observe expressed norms contained in clause 43 of the 1972 TEXACO-Gulf Consortium contract and the 1973, Supreme Decree 925 of adopting measures for the protection of flora, fauna and other natural resources, and to avoid air, water and soil pollution.

8. TEXACO's established practices also violated expressed obligations imposed by Ecuadorian legislation through norms issued over the time TEXACO developed its operations. Thus:

a. The 1971, Hydrocarbons Law (RO 322 de 1-X-71), demanded that those who executed oil exploration and exploitation activities should adopt all necessary measures for the protection of the flora, fauna and other natural resources, and to avoid water, air and soil pollution (Article 29, sections s and t). Article 31 of the 1978 Hydrocarbons' Law Codification (RO 711 de 15-XI-78) imposes these same obligations. When these provisions were appended by Article 12 of Law 101(RO 306 de 13-VIII-82), it was required that oil companies should put in practice plans aimed at avoiding the negative impacts of hydrocarbon exploration and exploitation activities on the socio-economic life of the population established within the areas where such activities were carried out. In addition, when directing oil operation activities, the companies should respect not

only environmental protection laws and regulations, but also the ones derived from “international practices in the subject of ichthyologic preservation and farming industry”.

b. The law for Preservation and Control of Environmental Pollution, issued through the Supreme Decree 374 and published in the RO 97 of May 31<sup>st</sup>, 1976, prohibits the release of polluting elements in the atmosphere if these would have an effect on life or human health, flora, fauna and the resources which are State or private property (Article 11). Also, it prohibits the release of residual or wastewater containing polluting elements detrimental to human health, fauna and flora or the property, in rivers or waterbeds, and natural or artificial lakes, as well as its filtration through the soil (Article 16); . Finally, it prohibits the release of contaminants that could alter the quality of the soil or affect human health, flora, fauna, natural resources and other goods (Article 20).

9. As the acts and omissions described before are directly imputable to either its clear intention or to its negligence, TEXACO INC made itself responsible for the damages caused, and acquired the obligation to repair them. Such responsibility and its resulting obligation were passed to CHEVRONTEXACO CORPORATION, as a virtue and as a consequence of the merger.

## **V. The legal foundation**

1. The obligation of repairing the resulting damages from their negligence and fraud has existed in the Ecuadorian law since the very beginning of the Republic. For this case, it is enough to mention their implicit acknowledgment of Civil Code Articles 2241 and 2256, which were in effect at the time of the occurrences that generated the damages.

2. The International Labour Organization, Convention 169, Article 15 recognizes the right of the indigenous peoples affected by deterioration of their natural environment and loss of their territories, resources or traditional means of subsistence, to get compensation, which allows them to face new life conditions without deterioration of their identity as peoples and loss of their collective rights.

3. As to the right to demand reparations derived from environmental effects, it should be considered:

a. The right to live in a healthy environment, ecologically balanced and free from contamination, is guaranteed to every person by Article 23 item 6 of the Constitution. In addition, its Article 86 declares that, the conservation of the environment, ecosystems, and biodiversity are of public interest.

b. When it deals with avoiding a potential or incidental damage, which inadvertently threatens any person, as may happen with polluting materials, which are still found in the environment, the Civil Code Article 2260 concedes public action to demand from those who generated the threat, to remove its causes or to cease them.

c. Article 41 of the Environmental Management Law (Law 99-37, RO 245 July 30<sup>th</sup>, 1999) grants public action to report violations of environmental standards, and Article 43 of the same Law, recognizes natural or juridical persons and human groups connected by a common interest and directly affected by a harmful act of commission or

omission, the right to file suit for indemnification for damages and the deterioration impacts caused on health and environment, including biodiversity with its components.

## **VI The pretense**

With the quoted legal dispositions and as members of the affected communities and keepers of their recognized collective rights, the plaintiffs demand from CHEVRON TEXACO CORPORATION, already identified in the records, the following:

1. The elimination or removal of the polluting contaminant elements, which still threaten the environment and the inhabitants' health. Consequently, the ruling should order:

a. The removal and adequate treatment and disposal of the material and polluting waste still existing in the pools or pits opened by TEXACO that have only been blocked, covered, or inadequately treated;

b. The sanitation of rivers, estuaries, lakes, swamps, and natural or artificial water currents and the adequate disposal of all waste materials;

c. The removal of all elements of machinery and infrastructure that are above ground, in the wells, closed, condemned or abandoned stations and substations, as well as the ducts, pipes, and other similar elements related to such wells.

d. In general, the cleaning of land, plantations, crops, streets, roads, and buildings where there remains polluting waste produced or caused as a result of operations managed by TEXACO, even the deposits for polluting waste built up as part of the wrongly executed environmental cleaning tasks.

2. The remediation of environmental damages, in compliance with Article 43 of the Environmental Management Law. Consequently, in judgement should be ordered:

a. The execution of all necessary works to reconstitute to pre-existing natural conditions the characteristics the soil and the environment had before the damages occurred.

b. The contracting of specialized institutions or personnel to design and set in motion a plan of restoring native fauna and flora, wherever possible, and paid through the lawsuit.

c. The contracting of specialized institutions or personnel to design and set in motion a plan of restoration and regeneration of aquatic life, paid through the lawsuit.

d. The contracting of specialized institutions or personnel to design and set in motion a plan for health improvement and monitoring of the inhabitants of the region who were affected by contamination.

The necessary resources to cover the costs of those requested activities in the amount determined by the experts and in compliance with what is foreseen by the Environmental Management Law, Article 43, and penultimate clause, where it is stated

that these resources should be given to the Amazonian Defense Front, which with the participation and advice of specialized international institutions would apply them exclusively to meet the specified objectives determined by the judgement.

3. The payment of ten percent of the amount the reparations represent, to which the second clause of Article 43 of the Environmental Management Law refers, as well as the reimbursement of the legal action costs and whatever time and effort were employed on it, in accordance with what is foreseen in Article 2261 of the Ecuadorian Civil Code. In addition, whatever is ordered to be paid, should be given to the Amazonian Defense Front (Frente de Defensa de la Amazonía), as it is expressly demanded by the plaintiffs.

### **The judicial case in Nigeria**

#### **Nnimmo Bassey (ERA- Nigeria)**

The community people in the Nigerian case believe that Chevron assaulted them deliberately and with the ultimate purpose of ensuring that they are denied their rights that ought to be accorded them as human beings under civilised norms and that ought to accrue to them as host communities to the oil corporation.

The complaint<sup>15</sup> was filed on May 27, 1999 against ChevronTexaco Corporation, ChevronTexaco Overseas Petroleum inc., and Moes 1-50 in the United States District Court for the Northern District of California by persons directly or closely affected in the attacks at Parabe (Ilaje), Opia and Ikenyan for damages and injunctive and declaratory relief for:

1. Summary execution
2. Extrajudicial killing (TVPA)
3. Crimes against humanity
4. Torture
5. Torture (TVPA)
6. Cruel, inhuman, or degrading treatment
7. Violation of the rights to life, liberty and security of person and peaceful assembly and association
8. Consistent pattern of gross violations of human rights
9. Violation of racketeer influenced and corrupt organizations act
10. Wrongful death
11. Battery
12. Assault
13. Intentional infliction of emotional distress
14. Negligent infliction of emotional distress
15. Negligence per se
16. Civil conspiracy
17. Loss of consortium

A team of attorneys<sup>16</sup> led by Theresa Traber, Esq. and Bert Voorhees, Esq. of Traber & Voorhees of Pasadena, California, for the plaintiffs is prosecuting the case.

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<sup>15</sup> Case No: C 99-02506 SI

<sup>16</sup> Other attorneys in the team include: Barbara Enloe Hadsell, Esq., Lauren Teukolsky, Esq., Law Office of Hadsell & Stormer, Inc., Cindy A. Cohn, Esq., Electronic Frontier Foundation, Richard Herz, Esq., Earthrights International, Michael S. Sorgen, Esq., Joshua Sondheimer, Esq., Law Offices of Michael S.



The plaintiffs in the case are:

1. Plaintiff Larry Bowoto is a resident and citizen of Nigeria.
2. Plaintiff Ola Oyinbo, is a resident and citizen of Nigeria who brings this action as Administrator of the estate of her deceased husband Bola Oyinbo, who was a resident and citizen of Nigeria.
3. Plaintiff Basse Jeje is a resident and citizen of Nigeria.
4. Plaintiff Sunday Johnbull Irowarinun is a resident and citizen of Nigeria who brings this action as executor of the estate of his brother, Arolika Irowarinun, now deceased, who was a subject, citizen and resident of Nigeria.
5. Plaintiff Margaret Irowarinun is a resident and citizen of Nigeria who brings this action individually as a dependent of Arolika Irowarinun.
6. Plaintiff Roseline Irowarinun is a resident and citizen of Nigeria who brings this action individually as a dependent of Arolika Irowarinun.
7. Plaintiff Mary Irowarinun is a resident and citizen of Nigeria who brings this action individually as a dependent of Arolika Irowarinun.
8. Bosuwo Sebi Irowarinun is a resident and citizen of Nigeria who was born in 1996 and who is a dependent child of Arolika Irowarinun.
9. Plaintiff Ori-oye Laltu Irowarinun is a resident and citizen of Nigeria who was born in 1984 and who is a dependent child of Arolika Irowarinun.
10. Plaintiff Aminora James Irowarinun is a resident and citizen of Nigeria who was born in 1992 and who is a dependent child of Arolika Irowarinun.
11. Plaintiff Olorunwa Daniel Irowarinun is a resident and citizen of Nigeria who was born in 1986 and who is a dependent of Arolika Irowarinun.
12. Plaintiff Eniesoro Irowarinun is a resident and citizen of Nigeria who was born in 1984 and who is a dependent child of Arolika Irowarinun.
13. Plaintiff Joseph Sunday Irowarinun is a resident and citizen of Nigeria who was born in 1981 and who is a dependent child of Arolika Irowarinun.
14. Plaintiff Adegorye Oloruntimjehum Irowarinun is a resident and citizen of Nigeria who was born in 1981 and who is a dependent child of Arolika Irowarinun.
15. Plaintiff Monotutegha Irowarinun is a resident and citizen of Nigeria who was born in 1985 and who is a dependent child of Arolika Irowarinun.
16. Plaintiff Olamisbode Irowarinun is a resident and citizen of Nigeria who was born in 1984 and who is a dependent child of Arolika Irowarinun.
17. Plaintiff Ibimisan Irowarinun is a resident and citizen of Nigeria who was born in 1997 and who is a dependent child of Arolika Irowarinun.
18. Plaintiff Menekiei Job, who brings this action individually and as Administrator of the estate of SHADRACK OLOKU, is a resident and citizen of Nigeria. SHADRACK OLOKU, now deceased, was a resident and citizen of Nigeria.
19. Plaintiff Benson Edeku, Administrator of the estate of TIMI OKORU, is a resident and citizen of Nigeria. TIMI OKORU, now deceased, was a subject, citizen, and resident of Nigeria.
20. Plaintiff Anthony Lawuru, Administrator of the estate of KEKEDU LAWRURU is a resident and citizen of Nigeria. KEKEDU LAWRURU, now deceased, was a citizen and resident of Nigeria.

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Sorgen, Jose Luis Fuentes, Esq., Siegel & Yee, Judith Brown Chomsky, Esq., Law Offices of Judith Brown Chomsky, Jennifer M. Green, Esq., Center for Constitutional Rights, Kirk Boyd, Esq., Public Interest Lawyers Group,

21. Plaintiff HENRY BABULOGBA, who brings this action individually and as the Administrator of the estate of BRIGHT BABULOGBA, is a resident and citizen of Nigeria. BRIGHT BABULOGBA, now deceased, was a citizen and resident of Nigeria.

22. Plaintiff John Ikenyan, Administrator of the estate of AGBAGBAEDI IKENYAN, is a resident and citizen of Nigeria. AGBAGBAEDI IKENYAN, now deceased, was a citizen and resident of Nigeria.

The defendants in the case are:

1. ChevronTexaco Corporation (formerly known as Chevron Corporation and generally referred to as “ChevronTexaco”),
2. ChevronTexaco Overseas Petroleum Inc., (formerly known as Chevron Overseas Petroleum, Inc., and also referred to as “CTOP” or “COPI”)
3. Chevron Nigeria Ltd., (CNL)

### **Court battles**

The plaintiffs “claim that Defendants violated the settled standards for the protection of human rights recognized by United States legal precedent. The Plaintiffs seek compensation, injunctive and other relief under the federal Alien Tort Claims Act (28 U.S.C. § 1350, et. seq.), Racketeer Influenced and Corrupt Organizations Act (18 U.S.C. § 1964(b) (c) and (d) and California state law.”

In the introduction to the statement of claims, the plaintiffs stated as follows:

- This case arises as a result of a series of three brutal, firearms attacks upon unarmed protesters and unarmed innocent citizens occurring in Nigeria between May, 1998 and January, 1999. In each, Defendant ChevronTexaco Corporation (formerly known as Chevron Corporation and referred to herein as “ChevronTexaco”), and/or defendant ChevronTexaco Overseas Petroleum Inc., (formerly known as Chevron Overseas Petroleum, Inc., and referred to herein as “CTOP” or “COPI”) both directly and through their wholly owned subsidiary, Chevron Nigeria Ltd., [CNL] (these three entities hereinafter collectively referred to as “Chevron”) acted in concert with the Nigerian military and/or police to plan, order and execute the attacks, including, but not limited to, the direct participation of Chevron security personnel and equipment in each of the attacks, the payment of funds to the military and/or police for the attacks and the purchase or lease of equipment and materials, including ammunition, used in the attacks. The Plaintiffs were either summarily executed by the gunfire, seriously injured by gunfire during the attacks, burned in a fire set during the attack or tortured by the police thereafter with the complicity of and/or at the request or suggestion of Chevron.
- The Plaintiffs here claim that Defendants violated the settled standards for the protection of human rights recognized by United States legal precedent. The Plaintiffs seek compensation, injunctive and other relief under the federal Alien Tort Claims Act (28 U.S.C. § 1350, et. seq.), Racketeer Influenced and Corrupt Organizations Act (18 U.S.C. § 1964(b)(c) and (d) and California state law.
- Plaintiffs are individuals who reside in the Niger Delta region of southern Nigeria. Plaintiffs allege that Defendants ChevronTexaco and CTOP, in conjunction and in concert with Nigeria’s military and/or police, which acted as Chevron’s agent and co-conspirator, did willfully, maliciously and systematically violate Plaintiffs’ human rights, including summary execution, torture, and cruel, inhuman and

degrading treatment, for the purpose and with the effect of suppressing and/or deterring Plaintiffs' and others' peaceful protests about Chevron's environmental practices in the Niger Delta.

- The grievous harm suffered by Plaintiffs was inflicted by a combination of Nigerian military and police personnel who were acting at the behest of, and with the support, cooperation and financial assistance of Defendants ChevronTexaco and/or CTOP, including but not limited to the presence and participation of Chevron personnel. Chevron and military personnel executed a military attack upon Plaintiffs' peaceful protests at the Parabe oil platform in May, 1998 and then later in and around the villages of Opia and Ikenyan in January, 1999. By the acts alleged herein, Defendants caused and were responsible for the deaths of several named Plaintiffs, as well as the shootings and serious injuries suffered by other named Plaintiffs, in violation of international, federal, California state law and Nigeria law.
- Plaintiffs bring this action under the Alien Tort Claims Act ("ATCA"), Racketeer Influenced and Corrupt Organizations Act ("RICO") and California state law.

### **Chevron's defence and motion for summary judgment**

Chevron's argument appears to be three-pronged.

- a) That they had nothing to do with the incidents and that if anyone is to be blamed it should be CNL, their Nigerian subsidiary. The plea of ChevronTexaco was that the court had no jurisdiction to hear the case and as such, the case should be struck out and that the case should be moved to Nigeria and handled under Nigerian law since according to them, ChevronTexaco international was a separate entity from Chevron Nigeria Limited. They argued that CNL was an independent organization that is not under the influence of the other defendants. (Note that at the time of the Parabe incident, CTOP owned 90% of CNL and owned the remaining 10% through another wholly-owned subsidiary.)
- b) They also claimed that the incidents at the three locations were the handwork of a rogue military, the Nigerian military and that they just happened to use Chevron's helicopters and boats. They claimed that they never gave advice to the Nigerian military and police on how to handle the incidents.
- c) The third plank is that the oil company was simply caught in the middle of intertribal killings, extortion, and kidnappings.

With these and other arguments, Chevron moved a motion for Summary Judgment on Phase I of the case.

### **Plaintiffs' arguments**

The plaintiffs averred that the court had jurisdiction over the case:

- Under 28 U.S.C. §1331 (federal question jurisdiction); 28 U.S.C. §1350 (Alien Tort Claims Act); 18 U.S.C. § 1964(c) (Racketeer Influenced and Corrupt Organizations Act); and 28 U.S.C. §1332 (diversity jurisdiction). Plaintiffs and Defendants are citizens of different states and the damages sought by this Complaint exceed the jurisdictional minimum for this Court.
- In addition, Plaintiffs invoke the supplemental jurisdiction of this Court with

respect to claims based upon laws of the State of California pursuant to 28 U.S.C. § 1367.

The plaintiffs also stated that ChevronTexaco is a United States-based corporation having its corporate headquarters located in San Francisco, California and organized under the laws of the State of Delaware. They also stress that ChevronTexaco wholly owns and controls CNL, which operates a joint venture with the Nigerian Government-owned Nigerian National Petroleum Company (“NNPC”) to exploit oil and gas reserves in the Niger Delta.

With regard to CTOP they averred that it is a Delaware corporation and is a wholly-owned subsidiary of ChevronTexaco and has its corporate headquarters located in San Ramon, California. It wholly-owned and controlled CNL through a number of tiers of wholly-owned intermediaries.

They also pleaded that, “At all times herein material, with respect to the events at issue, Defendants ChevronTexaco and/or CTOP (a) were joint-venturers with the Nigerian government, (b) conspired with and/or worked in concert with the Nigerian military and/or police, and/or (c) the Nigerian military and/or police were acting as the agent of and/or working in concert with ChevronTexaco and/or CTOP, including but not limited to Chevron management personnel in California and other parts of the United States and Nigeria, and were acting within the course and scope of such agency, employment and/or concerted activity. The wrongful conduct alleged herein was perpetrated by Chevron management and personnel in both Nigeria and the United States, including California, along with Nigerian military and police personnel. Chevron acted in concert with the Nigerian military and/or police and conspired in, participated in, aided and abetted, knew or should have known about, paid for, benefited from, confirmed, and/or ratified, the shootings and other wrongful conduct alleged herein.”

Among other pleadings, the plaintiffs said that ChevronTexaco and/or CTOP

- Aided and abetted CNL in the commission of the acts alleged herein,
- Conspired with CNL to commit the acts alleged herein, and/or
- Ratified the acts of CNL alleged herein.

### **Statement of facts**

In their statements of facts, the plaintiffs stated that:

- Chevron is the operator of a joint project with the Nigerian government for petroleum extraction, development, and export from the Niger Delta.
- Chevron provides financial and other support to the military and/or police to protect its facilities, including its facilities in the Niger Delta. Such support includes the ongoing housing, feeding and other support of military personnel on Chevron owned or leased premises located near the locations near Chevron’s Escravos facility where the helicopters that were used in the attack were based. It also includes the purchase of and providing of ammunition and other military tools and equipment to the Nigerian military and/or police for use in attacks such as those complained of here.
- Chevron hires “supernumerary” police to protect its installations in Nigeria. These police are recruited and trained by the Nigerian police force, but are paid for by Chevron and its agents at rates above those paid by the Nigerian

government. The police paid by Defendant Chevron remain accountable to Nigerian police command structures.

- CTOP participated in, requested, approved, and/or ratified the decision to pay the Nigerian military and/or police to guard CNL facilities and for armed responses to unwanted contacts with such facilities by local citizens. CTOP took such action despite the fact that it knew or should have known of the Nigerian military and police's long history of committing serious human rights abuses in connection with oil exploitation in the Niger Delta region.
- Upon information and belief, Chevron paid the military and/or police who accompanied Chevron employees – using Chevron owned or leased helicopters and boats with pilots and other personnel paid by Chevron – to carry out the attacks complained of herein. In addition, CNL personnel accompanied Nigerian military and/or police personnel on these attacks.
- Persons who were employed by, were agents of, and/or were on assignment from CTOP recommended and approved the use of the military at Parabe and approved the use by the military of Chevron helicopters at Parabe, Opia, and Ikenyan.
- Chevron's participation with the military has been part of a deliberate effort to silence the exercise of rights of free speech and association of Plaintiffs and other Nigerian citizens on several issues, including the environmental damage caused by Chevron's oil and gas production practices, and Chevron's failure adequately to provide jobs to the people in the communities near where Chevron produced oil and gas and despoiled the environment. Chevron's activities in the Niger Delta have, among other things, eroded and destroyed agricultural land, forests and swamps and contaminated the local water supply thereby killing the fish and wildlife upon which the local economies have been based for centuries. Chevron has pumped oil and gas out of the Niger Delta and has caused environmental degradation without adequately compensating the people of that region or adequately providing alternative sources of livelihood.

Among other claims, the plaintiffs declared that the defendants participated in murder, threats, battery, assault, summary execution, crimes against humanity, torture, cruel, inhuman or degrading treatment, arbitrary arrest and detention, and thus violated the rights to life, liberty and security of person and peaceful assembly and association and this is actionable under the Alien Tort Claims Act, 28 U.S.C. §1350, which incorporates federal common law and customary international law as reflected in:

- (a) United Nations Charter, 59 Stat. 1031, 3 Bevans 1153 (1945);
- (b) Universal Declaration of Human Rights, G.A. Res. 217A (iii), U.N. Doc. A/810 (1948);
- (c) International Covenant on Civil and Political Rights, G.A. Res. 2220A(XXI), 21 U.N. Doc., GAOR Supp. (No. 16) at 52, U.N. Doc. A/6316 (1966);
- (d) Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, G.A. Res. 39/46, 39 U.N. Doc., GAOR Supp. (No. 51) at 1100, U.N. Doc. A/39/51 (1984);

- (e) Declaration on the Protection of All Persons From Being Subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, G.A. Res. 3452, 30 U.N. Doc., GAOR Supp. (No. 34) at 91, U.N. Doc. A/10034 (1976).
- (f) The Constitutions, statutes, laws and other rules of most of the nations of the world.

## **CLAIMS MADE BY PLAINTIFFS**

### **FIRST CLAIM FOR RELIEF (AGAINST ALL DEFENDANTS)**

(Summary Execution)

Concerning the deliberate killings, under colour of law, of AROLIKA IROWARINUN, SHADRACK OLOKU, TIMI OKORU, KEKEDU LAWRURU, AND BRIGHT BABULOGBA, AGBAGBAEDI IKENYAN...were not authorized by a lawful judgment pronounced by a regularly constituted court affording all the judicial guarantees which are recognized as indispensable by civilized peoples.

The acts described herein constitute summary execution in violation of the Alien Tort Claims Act, customary international law, the international treaties, agreements, conventions and resolutions described above, the common law of the United States, and the statutes and common law of the State of California.

Each defendant is liable to Plaintiffs in that it requested, paid, participated with, confirmed, ratified, and/or conspired with the military and police to bring about the summary executions committed against Plaintiffs.

### **SECOND CLAIM FOR RELIEF**

Also against all defendants --Extrajudicial Killing - TVPA

deliberate killings, under color of law, of AROLIKA IROWARINUN, SHADRACK OLOKU, TIMI OKORU, KEKEDU LAWRURU, BRIGHT BABULOGBA and AGBAGBAEDI IKENYAN were not authorized by a lawful judgment pronounced by a regularly constituted court affording all the judicial guarantees which are recognized as indispensable by civilized peoples.

The acts described herein constitute extrajudicial killing in violation of the Torture Victim Protection Act of 1991 ("TVPA"), 28 U.S.C. § 1350, note.

Each defendant is liable to Plaintiffs in that it requested, paid, participated with, confirmed, ratified, and/or conspired with the military and police to bring about the extrajudicial killings committed against Plaintiffs.

### **THIRD CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS-- Crimes Against Humanity

### **FOURTH CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS --Torture

The torture of Plaintiffs, as described herein, was inflicted deliberately and intentionally for purposes, which included, among others, punishing the victim, or intimidating the victim or third persons.

Each defendant is liable for said conduct in that it requested, paid, participated in, confirmed, ratified, and/or conspired with the Nigerian military and police to bring about the torture of Plaintiffs.

**FIFTH CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS--Torture - TVPA

The acts described herein constitute torture, in violation of the Torture Victim Protection Act (“TVPA”), 28 U.S.C. § 1350, note.

**SIXTH CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS -- Cruel, Inhuman, or Degrading Treatment

Defendants’ acts alleged herein caused Plaintiffs to be placed in great fear for their lives.

**SEVENTH CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS --Violation of the Rights to Life, Liberty and Security of Person and Peaceful Assembly and Association

The torture, shooting and setting on fire of the various Plaintiffs as a result of their or others’ peacefully demonstrating against the actions of ChevronTexaco and CTOP violated and deprived them of their rights to life, liberty and security of person, and their rights to peaceful assembly and association for which each defendant may be held liable. The killing and wounding of Plaintiffs violated and deprived them of their rights to life, liberty and security of person and peaceful assembly and association for which each defendant may be held liable.

The torture, interrogation, and attempted forced confession of Bola Oyinbo, injuries to Larry Bowoto, Bassey Jeje and Ebiere Eferasua violated and deprived them of their rights to liberty and security of person and peaceful assembly and association for which each defendant may be held liable.

**EIGHTH CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS -- Consistent Pattern Of Gross Violations Of Internationally Recognized Human Rights.

**NINTH CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS -- Violations of the Racketeer Influenced and Corrupt Organizations Act.

At all times relevant to this Complaint, the Defendants, and their agents and co-conspirators conducted, or participated directly or indirectly in the conduct of the affairs of the enterprise through a pattern of racketeering activity, within the meaning of 18 U.S.C. § 1961 (1) (5), in violation of 18 U.S.C. § 1962 (c).

At all times relevant to this Complaint, the Defendants, in violation of 18 U.S.C. § 1962(d) combined and conspired together and with their agents and co-conspirators to commit or conduct the affairs of the enterprise through a pattern of racketeering activity.

During 1998 and 1999, in violation of 18 U.S.C §§ 1962(c) and (d), Defendants, with their agents and co-conspirators, conspired to and did conduct the affairs of the enterprise through a pattern of racketeering activity.

The Defendants are engaged in interstate acts of commerce. Specifically, defendants

ChevronTexaco Corporation and CTOP and their agents and co-conspirators engaged in conduct undertaken in the United States material to the effectuation of the fraudulent and otherwise illegal racketeering activities alleged herein, by planning, participating in the decision-making, authorizing, and/or ratifying the attacks alleged herein, by initiating and orchestrating a knowingly false media campaign designed to deflect international criticism of the Nigerian military and police and of Chevron for their respective roles in the attacks, and through other similar conduct. Defendants' acts alleged herein were intended to and did have a substantial impact on the United States, including but not limited to the market for petroleum products in the United States. Specifically, it is alleged, on information and belief:

- that the majority of Nigeria's crude oil yield comes from the Niger Delta where Parabe, Opia and Ikenyan are located;
- that approximately 40 percent of Nigeria's oil production is exported to the United States;
- that much of the oil extracted by the defendants and their wholly-owned subsidiaries in Nigeria, including CNL, is shipped to the United States;
- that defendants engaged in Nigerian oil production in a manner which exploits and abuses the local environment and damages the economic well-being of the indigenous, surrounding communities, including those of the plaintiffs;
- (e) that defendants' oil production practices were intended to and have lowered the production costs of defendants in Nigeria and secured economic and competitive advantages in the U.S; and
- that the predicate acts alleged herein, including but not limited to the attacks on plaintiffs, defendants' attempts to quash plaintiffs' protesting activities, and their false media campaign focused on maligning the plaintiffs and their protests and whitewashing the roles of the defendants and the Nigerian government, were intended to gain an economic advantage in the U.S. economic market by the continued, uninterrupted exploitation of the Nigerian oil fields without interference from the protesting neighboring communities, including those of the plaintiffs and/or that these acts did in fact have that impact.

**TENTH CLAIM FOR RELIEF**

AGAINST CHEVRONTEXACO CORP -- Wrongful Death

**ELEVENTH CLAIM FOR RELIEF**

AGAINST CHEVRONTEXACO CORP --Battery

**TWELFTH CLAIM FOR RELIEF**

AGAINST CHEVRONTEXACO CORP --Assault

**THIRTEENTH CLAIM FOR RELIEF**

AGAINST CHEVRONTEXACO CORP -- Intentional Infliction of Emotional Distress

**FOURTEENTH CLAIM FOR RELIEF**



AGAINST CHEVRONTEXACO CORP -- Negligent Infliction of Emotional Distress  
**FIFTEENTH CLAIM FOR RELIEF**  
AGAINST CHEVRONTEXACO CORP -- Negligence Per Se

**SIXTEENTH CLAIM FOR RELIEF**

AGAINST ALL DEFENDANTS -- Civil Conspiracy

On or about May 25, 1999 and January 4, 1999, Defendants ChevronTexaco Corporation, CTOP and MOES 2-50, inclusive, and the Nigerian military and/or police knowingly and willfully conspired and agreed among themselves to engage in a military attack on, respectively, the Plaintiffs on the Parabe Platform and the Plaintiffs citizens of the communities of Opia and Ikenyan in violation of the rights of the Plaintiffs.

Plaintiffs are informed, believe, and thereon allege that the last overt act in pursuance of the above-described conspiracy occurred on or about January 4, 1999, on which date Defendants and the Nigerian military and/or police jointly participated in the attacks on the communities of Opia and Ikenyan.

**SEVENTEENTH CLAIM FOR RELIEF**

AGAINST CHEVRONTEXACO CORPORATION -- Loss of Consortium

**RELIEF PRAYED FOR:**

WHEREFORE, each and every Plaintiff prays for judgment against each defendant in excess of \$75,000, as follows:

- (a) for compensatory damages, including general and special damages;
- (b) for punitive damages;
- (c) for injunctive and declaratory relief as this Court deems appropriate;
- (d) for disgorgement of profits;
- (e) for treble damages;
- (f) for costs of suit, attorneys fees and such other relief as the Court deems just and proper.

**JURY TRIAL DEMAND**

Plaintiffs hereby demand a jury trial on all issues so triable<sup>17</sup>.

**Milestone ruling**

As already stated, the action was filed on May 27, 1999 against ChevronTexaco. The complaint which was originally filed by five Nigerian plaintiffs against ChevronTexaco Corporation, has been amended a number of times, and now includes ChevronTexaco Overseas Petroleum, Inc. (CTOP) as well as 500 "Moe" defendants. In October 21, the parties agreed to handle the case in two phases with phase one limited to discovery of

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<sup>17</sup> Dated July 23, 2004 and signed by the attorneys for the plaintiffs

issues related to the liability/responsibility of the USA defendants for the incidents under scrutiny.

On March 22, 2004 the United States District Judge hearing this case, Susan Illston made a milestone ruling on Chevron's motion for summary judgment.

In the judge's discussion, she found that the defendants could not be held directly liable for events that transpired. She however added, "Whether indirect liability may be imposed is a closer question. At this point, the only question before the Court is whether plaintiffs have sufficient evidence to survive summary judgment on their claim that defendants were so integrally involved in the actions and structure of CNL that CNL's actions in events that are the subject of the complaint were undertaken on defendant's behalf. Regardless which test is applied, plaintiffs will have the burden to persuade the Court to disregard the corporate form. At this juncture, the Court finds that the plaintiffs have presented facts, which, if accepted by a jury, could warrant finding defendants liable for CNL's action on an agency theory or based on aiding and abetting or ratification. Consequently adjudication will be denied to defendants on plaintiff's theory of indirect or vicarious liability."<sup>18</sup>

Some of the arguments the plaintiffs brought against the plea for summary judgment were that:

- CNL functioned as the defendants' representatives in Nigeria (Gallagher v. Mazda of America, Inc., 1992). The "revolving door" between CNL and COPI for managerial positions and movement of CNL employees to CVX's other subsidiaries also show the intimate linkage and CNL's representative status.
- CNL's oil production represented 20% of COPI's earnings.
- Evidence showed "an extraordinarily close relationship between the parents and the subsidiary prior to, during and after the attacks. For example, defendants and CNL had regular communication regarding security measures before and after the attacks. An analysis of the phone calls between defendants' personnel in the United States and CNL shows that the volume of calls was higher on May 27, 1998...than on any other day in the period from November 19, 1997 to January 18, 1999 but one"<sup>19</sup>.
- Trying to wriggle out of the charge of aiding and abetting, Chevron took great pains to assert that the helicopters used in the attacks were not owned by Chevron but were leased to the Chevron/NNPC Joint venture and that since the Nigerian government had 60% shares that they had a greater say on how equipment were used. After reviewing conflicting statements to the media by Chevron officials as well as internal e-mail communications,<sup>20</sup> the judge held that "there was evidence from which a reasonable jury could infer a cover-up or ratification of CNL's activities."

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<sup>18</sup> See pages 10 and 11 of Order Denying Defendants' Motion for Summary Judgment on Phase I, March 22, 2004

<sup>19</sup> See page 15 of the ruling by Judge Susan Illston. It also stated that the day the very highest volume of calls were made was the day another oil facility was occupied by local people.

<sup>20</sup> For example one from Joseph Lorenz to Deji Haastrup on February 23, 1999 responding to Haastrup's question on how to reply press queries on ownership of the helicopters used in the attacks.

Overall, the judge denied Chevron's motion for summary judgment.

### **Reading the judgment**

This outcome of this case is vital to the struggles of local communities around the world whose environment and lands have been taken up by transnational as well as national corporations to the detriment of the people. It is an important battle in the quest for respect of basic human rights of all peoples irrespective of economic influence or geographical location. A case that underscores the fact that corporations cannot direct affairs offshore, reap the benefits, and escape the liabilities raised by their actions or that of their agents.

This case brought under the 1789 Alien Tort Claims Act will evidently answer many questions, raise many hopes, or dash them.

Chevron in a statement released shortly after the judgment denying summary judgment chose to focus on the aspect that absolved ChevronTexaco or Chevron Overseas Petroleum of direct liability. They asserted "200 workers were held hostage on an oil platform for three days and that those responsible 'have no basis in fact or in law to claim that their rights were violated when the Nigerian military restored order.'"<sup>21</sup>

The plaintiffs saw the ruling as a victory Theresa Traber, an attorney for the plaintiffs said of ChevronTexaco, "They have their hands on the pulse of what was going on in Nigeria because it affected profits." In addition, Barbara Hadsell, another of the attorneys was quoted as saying, "This is a wonderful thing. This case will go to the jury on the theory that the U.S. Chevron corporations are involved and liable to our people in Nigeria because the subsidiary is Chevron's agent. You have to take responsibility for that agent's wrongs."<sup>22</sup>

The case moves on. Another recent ruling denied Chevron's demand that all the plaintiffs must appear in person in the United States for depositions. In the matter concerning Larry Bowoto, the court rules that if Chevron wants him to be in the USA then Chevron would have to foot the bill of getting him there. It is evident that the poor victims of Chevrons assaults cannot afford to pay their way to the USA.

At the time of this writing, the lawyers for the plaintiffs have so far made a number of trips to the communities to gather follow-up information and it is expected that the defence team will be in Nigeria soon for a similar exercise although it is doubtful if they would be visiting the communities.

This is just one case among so many in which oppressed peoples are crying for justice and are facing herculean obstacles in their paths. They hang on in the hope that one-day justice will not only be done, but also done openly.

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<sup>21</sup> See Suit Against Chevron Over Rights Abuses Moves Ahead, Dennis Pfaff, Daily Journal, Friday March 26, 2004, pp 1&7

<sup>22</sup> See Nigerian Villagers allowed to sue ChevronTexaco—Protesters were slain, possibly with help of firm's subsidiary, Bob Egelko, San Francisco Chronicle, Friday ,March 26, 2004

## **The new ChevronTexaco strategy**

Since the topics about conservation are achieving international interest. ChevronTexaco is defining their strategy and environmental policy around those issues, so now they are talking about protecting the natural resources and presenting as a model their Papua New Guinea project.

In New Guinea Chevron's Kutubu Petroleum Development Project has operations on the Lake Kutubu, where local communities depend upon the forest for their subsistence. To stop the protests, Chevron established an agreement with the WWF. A Chevron secret document stated that: "WWF will act as a buffer against critics for environmental damages done on the region". A year later, they stopped the agreement and created an "Integrated Conservation and Development Project" (ICDP).

The central project was about eco-forestry, this was because the road construction for the oil pipeline provoked intense deforestation, and with the WWF cooperation this problem could be hidden. In 1998 the WWF and the World Bank created a global alliance for conservation and sustainability. This was a way for the ChevronTexaco projects to get loan financing. Besides that, they requested recognition by the Forest Stewardship Council (FSC), an agency which certifies sustainable management forest projects.

In Brazil, the company announced a series of initiatives related to climate change through, for example, plantations which according to them, will contribute to an increase in biodiversity. Nothing could be more absurd, since plantations neither enrich biodiversity nor really contribute to confront climate change, nevertheless they assure that within the next 40 years, in 3000 acres they will capture 660000 metric tons of CO<sub>2</sub>, while each day their extraction practices supposes a potential 1.2 million tons of CO<sub>2</sub> entering the atmosphere.

One of the central initiatives in this direction is the Energy and Biodiversity Initiative (EBI) where ChevronTexaco is an active member and which goes beyond a system of agreements between the industry and conservation NGOs.

This initiative has been strongly challenged, because it is clearly, a way for the companies to clean their corporate image. The companies involved in this initiative are limiting themselves to assure that they avoid "*potential environmental impacts*"

The EBI initiative is in full process of presentation and discussion. The original members of this initiative included BP, ChevronTexaco, Enron, Shell, and Statoil from the energy industry side, and Conservation International, Fauna & Flora International, IUCN, The World Conservation Union, Smithsonian Institution, and The Nature Conservancy from the environmental community side. In December 2001, Enron stopped being part of the initiative after filing for bankruptcy and their later disappearance (EBI, 2006).

With this initiative the corporation has opened spaces for themselves for participation and influencing of conservation policies, for example, this was done at the IUCN World Parks Congress in Durban, South Africa (September 8th to the 17th, 2003), also at the

IUCN group work about the extractive industry, and at the VII Conference of the Parties to the Convention on Biological Diversity in Kuala Lumpur, Malaysia.

These companies have always wanted to present an environmental concern image and in function of this, they advertise, make donations, publish books... When doing this they do not only clean their image but also make alliances, which help them when confronting conflicts at the local, national, and international level.

### **Oilwatch open letter (2003)**

TO: UICN, CONSERVATION INTERNATIONAL, THE NATURE CONSERVANCY, FLORA & FAUNA INTERNATIONAL, SMITHSONIAN INSTITUTION.

FROM: Oilwatch

RE: Energy and Biodiversity Initiative (EBI)

The Oilwatch network and especially its members who closely know about the companies which participate in the “Energy and Biodiversity Initiative” are frankly outraged to see that this proposal includes some of the oil companies with the worst reputation on environmental issues as well as on human rights violations.

The proposal of assembling, together with BP, ChevronTexaco, Shell and Statoil, the “Energy and Biodiversity Initiative” (EBI), in order to “produce guidelines, instruments, and models with the objective of incorporating a biodiversity component to oil and gas extraction activities”, we believe has severe repercussions for biodiversity conservation and paves the road for environmental impunity, undermining the efforts of organizations at the local and national level, which are fighting so these companies take responsibility for the impacts they have already caused.

The document “Integrating Biodiversity Conservation into Oil & gas Development”, product of this initiative, has the audacity to assure that it is not only possible to reconcile oil activities with conservation, but also that oil companies “could contribute to improve the level of conservation of the protected areas”.

The arguments this document presents are the opportunity for the industry to “improve their corporate image”, “to (at a project level) access certain resources, including land, capital and hydrocarbon concessions”

Will these be the companies that instead of respecting the protected areas will operate in them on the account of having a biodiversity policy?

Even though this document acknowledges that the oil industry has impacts over the biodiversity, it frequently labels them as “potential”, without acknowledging any responsibility for the companies' current operations, including the ones which subscribe to the initiative.

The document minimizes direct impacts caused by the companies, labeling them as “of short term duration”, “restricted to the operation sites” and feasible to overcome with technological improvements, and, on the other hand, magnifies the impacts, called

indirect, caused by “poor” local populations, over which they consider it difficult to determine “responsibility”.

The report assures that it is not only possible to carry out oil activities with a minimal impact over biodiversity, but also that oil operations could help to improve biodiversity conservation. How? “Blocking the entrance of third parties into these areas”... “Helping the poor”... “Supporting financially State owned conservation agencies”... “Participating in the biodiversity policy making”.

These types of measures are already practiced by the companies, and have not contributed to conservation, but rather have undermined environmental and conservation legislations, to the point where they have made it impossible to verify impacts caused by these companies, because their operation sites are off-limits and their involvement in legislation and policy making becomes an abuse of national sovereignties.

Not even one strong conservation measure is proposed, but rather a series of generalities already used by the companies, like their usual offers for “standards” and “state of the art technology”, which; are not applied, cannot be enforced, and have nothing to do with the environmental record of the companies. There is not a commitment towards protected areas or biodiversity. On the contrary, the double standard is declared as an unavoidable practice, thus it has constantly been stated that each company is different just as the conditions in each country are, therefore “the behavior will depend upon those conditions”.

These initiatives undermine the efforts to guarantee the conservation of protected areas, to work towards an energy transition, and to achieve a moratorium for the oil frontier expansion, since it gives license to impunity and deceit, allowing the companies to clean their image and tolerate destructive practices inside regions meant for conservation.

How is it possible to sit with companies which have a proven bad environmental record, and even worse to do it with ChevronTexaco right at the moment when in Ecuador the case for their environmental crimes just started? Is it that UICN, CONSERVATION INTERNATIONAL, THE NATURE CONSERVANCY, FLORA & FAUNA INTERNATIONAL, and SMITHSONIAN INSTITUTION have resolved to award a good behavior certification to this company? This should be clarified for the sake of your own image.

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## Epilogue

In the last shareholders meeting on 27th April 2005, ChevronTexaco decided to eliminate the name “Texaco” and simply call itself “Chevron”. However, what led this company to abandon 100 years of investments in image and publicity?

The answer is in this report. ChevronTexaco cannot hide any longer the environmental impacts and the abuses committed by its operations. Texaco disappeared in the same way UNOCAL was incorporated and by a mere exercise of paperwork does not exist anymore. Probably, there will be a time when they will have to renounce the name “Chevron”.

It is evident that its intention has been to cover people’s memory with a veil and not to assume its responsibility, even though it maintains a “corporate social responsibility” discourse.

The public speeches, the publicity campaigns, the resources used, and the awards given are in contradiction with its real practices, which are based on:

- contempt towards the communities and people who live in its areas of operation; people who have been rendered hopeless, left in sickness and in a state of total abandonment, that is if they manage to overcome death which appears to be their destiny.
- The use of violence, done either through the US Army which organizes wars to fulfill its needs, or with the local national armies which are subjugated, bought over, or reduced to the same level of mercenaries or paramilitaries which are ready to do anything for a fee.
- The systemic destruction of the ecosystems where it operates and where it applies an obsolete technology, in line with the scorn it feels for the people.
- The buying of consciences, which divides or breaks communities, authorities and governments; and covers up scientific research and discoveries about the magnitude and intensity of the damages it causes.
- a stance for impunity

This company pretends to solve their conflicts by “buying” a support base with donations and its new strategy is rooted in that.

Knowing ChevronTexaco, how it operates and where it stands, could contribute to stopping it, and help to organize the struggles in a better way, in order to confront its strategy of planetary expansion and economic accumulation.

This company is one of the most powerful private companies in the world. It is the second in the United States after ExxonMobil, and perhaps the most influential company within this government.



If this epilogue were to be rewritten in the future perhaps it would say that the company went bankrupt due to the blockades built by the people, by the obstacles and demands placed by communities and governments, or by the multimillion verdicts they had to be paid.

To a large extent, it depends on how the seed of coordination and organizing from the people affected grow, and on the level of national and international consciousness and commitment to life and future. It depends on our will to construct this reality today.

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