PETROLEUM IN CUBA 2004

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The recent position of the United Status against Cuba that comes from the “Presidential report” of the Commission to help for a Free Cuba (leaded by Collin Powell) should be seen as a flagrant step in the violation of the sovereignty of the national Island and with that the resolution 2625 of the General Assembly of the UN of October of 1970, but more so, as the pre- scene that points towards a United States insurgence over Cuban territory, its resources and its population; all as Washington as protector.

The case is no less and with difficultly passes unnoticed in the context of the current preelectoral period. In February of this present year in an article a Cuban invasion was being analyzed as a card in the reelection fight for Bush and moment edition of the text the electoral situation in the northern power was not so fought over. Now the scenery is markedly complicated due to the addition of Waren Buffet, the second most richest man in the world, to the democratic campaign of John Kerry who has a position towards Cuba that could be considered as even more reactionary that Bush`s; as with the no less scandalous situation in Irak that increasingly is getting out of “their” control (the Government of the USA and its allies) given the intense civil massacre of Iraqis, the increasing number of American soldiers causalities and recently due to the public denouncements for the torture and presumed assassination of “prisoners of war” on behalf of American and British military personnel.

Of the report for a “Free Cuba” presented officially by Powell the 6th of May 2004 various readings and implications can be interpreted. Here it is important to make note of 2 points. On the one hand, the document clearly looks to profile itself as the key to gain the political-business summit of the Cuban dissidents of Florida. On the other hand, if the text is reviewed it can be noted that it is a well orchestrated plan for the annexation of Cuba as protector in which the dissidents would play the role of lackey of the US on the island. The considered measures go from supporting dissidence (financially and logistically and in the form of counterrevolutionary groups) and in the process of transition to a post Castro Cuba in which the “succession plans of the regime” fail until the economic, political and military take over on behalf of Washington. It concerns a scenario that is made clearer if it is reviewed from a the geopolitical perspective of oil imperialism of the Gulf of Mexico within the context that new oil reserves and potential oil reserves were confirmed in the zone, particularly in what is known as the “Hoyos de Dona” geological formations that are located within the geographical zone that boarders the judicial marine boundaries of the US, Mexico and Cuba.

Even though in effect it concerns a region in which many oil prospecciones have been carried out, only recently has the information and necessary technology been available to conclude that it concerns an area of high hydrocarbon concentrations characterized by being located at great depths. It is no coincidence that in the last years multinational oil companies have shown great interest in exploration and eventual exploitation of crude oil in the Gulf of Mexico. The speed in which the "oil marine exploitation fields" are being concessioned is of importance since it is considered that the first to carry out extraction of crude in important quantities will benefit from the effect known as "popote", understood not so much as horizontal perforation but more as a phenomena that is produced from drainage by the gravitational pull. Due to this is that Barbosa Cano, specialist in this issue from the Institute for Economic Investigation of UNAM, considers that "there is a very real risk that North American companies will appropriate the oil" which in the Gulf could reach 100 thousand million barrels, "This brings to attention that the USA has for some years now obtained licenses to a growing number of oil fields in the region of the Golf of Mexico. Johnnie Burton from the Administration Services for Minerals (MMS) of USA, institution in charge of this activity (together with the Department for internal affairs) indicated that from March of the present year "United States is now its ninth year of sustained expansion of developing domestic exploitation of oil and gas at depths in the Gulf of Mexico and there are no signs of this decreasing".

He also adds "the potential this resource provides for the nation increases with each new discovery at ultra deep water depths". Among the perforation wells discovered, only between 2001 to 2003 are: the Discoverer Deep Seas de Chevron/Transocean in Block AC 818, the Deepware Millenium of Anadarko Petroleum Corporation/Trasnocean in Block AT 349, el Jack Ryan of Shell Offshore/Global Santa Fe in Block AC 943, in Deepwater Nautilus of Shell Offshore/Transocean in block MC 657, the Deepwater Pathfinder of Chevron/Transocean in Block MC 696, the Explorer of BHP Billiton/Global Santa Fe in Block AT 618, the Discoverer Enterprise of BP Exploration/Transocean in Block MC 778, the Cajun Express and the Marianas of Dominion Exploration/Transocean in Block MC 734 and MC 772 respectivamente, the 1503 of Dominion Exploration/Pride in Block MC 773, el Discoverer Spirit of Union Oil Co/Transocean Block GC 943, o the Ocean Confidence of BP Exploration/Diamond Offshore in Block GC 826.

The above means that the potential production of the Gulf signifies almost 30% of the domestic production of oil and 23% of gas for the USA, according to the MMS(10); figures that could increase as the potential oil reserves are confirmed and new ones are discovered in other areas, in this way hydrocarbons of this exclusive economic zone (EEZ) of Mexico and Cuba "fall into the hands" of the USA under the "popote" effect.

Take note that this phenomena can be very soon in process, since from 1995 to 2002 US extraction of oil from deep waters from the Gulf increased by 535% whilst those of gas increased by 620%.

Within this scenario, the reserves of the Gulf of Mexico are hoped to be larger than those of the USA. These are calculated to be around 15 thousand million barrel of oil and 47 thousand cubic meters of gas (considering proven and expected reserves), the Mexican reserves could reach 22 thousand million barrels of oil, but they could increase as the more than 170 “probable projects” are confirmed, according to Petroleos Mexicanos (Pemex) after having carried out more than 800 explorations in the Deep waters of the Gulf (here the reason why Barbosa Cano said that the potential oil reserves of the region of the Gulf of Mexico could reach up to 100 thousand million barrels).

The figures for the Cuban EEZ of 112 thousand Km2 are not at all clear, nor the type of crude oil that could be found. As is known Cuba has source of oil with a high sulphur content, which makes the oil very heavy. However it is believed that the north and northeast of the Island there could be deep geological structures of light crude oil. For reasons of prospecting (something which was impossible during the decade of the 1950´s when for example Standard Oil carried out its explorations), the island has divided its EEZ which extends in the shape of a triangle in 59 block of 2 thousand Km each and which have started to be licensed (10 up until now) by oil companies such as Petrobras (Brasil), Repsol YPF (Spain) or Sherrit International (Canada).

The Cuban reserves do not seem to be at all negligible. Repsol YPF announced that the potential reserves correspond only to Block of Yamagua could be of around 1,600 million barrels or equivalent to 30% of the proven reserves of the current multinationals. The estimates of the 6 block north of Cuba, according to Repsol YPF could contain up to 6 thousand million barrels. Consequently the multinational considers Cuba as “one of the priority areas of growth”. But note that the potential reserves could be even larger, which can only be confirmed at the moment of perforation.

The fact that the Cuban embargo does not permit multinationals of the USA to sign contracts with the island has been an obstacle, in this case, for the exploitation of Cuban oil, which presumably was intended to be negotiated as part of USA reserves since the first Bush administration left Cuban negotiations out, mentioning only “two zones” (USA and Mexican) and in no occasion was a third talked about corresponding to the “Dona Oriental” over which Cuba has unquestionable rights.

Such situation it would seem could be resolved under the “post-Castro” scenario under the charge of the servants of the USA in Cuba, issue that is pointedly considered in the report for a Free Cuba. Within the indications in this presumed scenario, the servants of the USA in Cuban would have to consider, as part of the programs for economic liberalization the total privatization of Cuban businesses – under charge of the International Monetary Fund and the World Bank- the celebration of a Commercial Trade agreement with the USA and in a second instance, the launching of the country as another of the members of the Area of Free Trade of the Americas. In such scenario the USA has set its sights on the Cuban mineral reserves such as nickel and cobalt and of course oil.

As directly quoted from the report "in medium terms, the US Geological Service should be ready to provide assistance and help in the modernization of critical governmental institutions such as geological exploration, ministries of mining and related organizations.

This should include the development and implementation of prospecting programs for mining and the modernization of geochemical and geophysical explorations and the production of geological maps". In which of course the precise localization of potential terrestrial and particularly marine oil reserves have to be included.

'Kindly' the USA auto proposes itself as the candidate to "guarantee the growth in offer of crude required by the Cuban economy and to modernize and maintain the adequate functioning the capacity of refining it. For such purpose the opening of Cuba to foreign direct investment is central, according to the report. In this way the USA oil companies the exercising of contracts with Cuba would be resolved, and at the same time such northern power for negotiation that in principle, seen from an imperialist point of view, should belong to the US but that however for the moment is being consolidated by European multinationals.

In the report it is not made clear how the process towards "a Free Cuba" according to the US would be, but it is worth considering the possibility of a military invasion, especially if it is taken into account that the northern power is being controlled by a group of maddened criminals that has not doubted in using terror of the State throughout, at the same time as it has acted unilaterally and has systematically violated international rights (and lets not mention human rights). The justification could be used are well know and over used: the war against terrorism (faced with a clandestine operation or "auto attack" chemical-biological against the civil US population (or Cuban) which would be claimed without question to the Castro regime) and as part of an "effort" to "take democracy to the Cuban people and free it from the Castro dictatorship".

It is as Saxe-Fernandez warns "it is necessary to add to the equation the geostrategic factor the Cuban oil resources of the Golf of Mexico represents and its impact on the action plan of the Bush administration – and the interests that it represents – to Cuba and its hydrocarbon riches in the Dona Oriental. We could state that the danger of an operation against the island has increased as a result of new "oil geography" of the Golf of Mexico, of the unmeasured ambition and greed for Cuban and Mexican oil and the dangerous tendency towards unilateralism that currently dominates decisions from the Oval Office.

Which ever way, in the interim, the report proposes studying the possibility of the application of the III Title of the Helms-Burton Law (16) that evokes the possibility of authorizing the taking place of court cases in North American courts of law against business men of third party countries that negotiate with Cuba…..lets say some oil companies that operate in the Gulf of Mexico; process under which, at least the presence of such multinationals would be boxed in and subordinated in the island, and at the same time the capacity of exploitation of crude oil on behalf of the USA benefiting itself by the "popote" effect would increase. The first is already a worry that Repsol YPF has expressed when it said "it hopes that the political tension will not affect activity".

To the previously mentioned it is worth adding the consideration of the report to elevate efforts in involve governments of third party government in campaigns against the Cuban Revolution.

As final analysis it is worth being precise over the implications of the new oil geography for the three countries involved of which without doubt are of major consideration.

In Mexico, the subordinate behavior of the Mexican elite is leading to the privatization of the oil-electric and gas complex of the country (just as Saxe-Fernandes analyzed in detail in his book "The buying and Sellling" of Mexico. Plaza and Janes, 2002). The enthusiasm which Mexico has provide Multiple Service contracts to foreign business (particularly those of the USA) which include oil field licenses in the exclusive economic zone of the Golf of Mexico (among others those of the Cuenca de Burgos) is a case for urgent discussion that should be subject to public scrutiny.

In Cuba, the annoyance for the USA is that the oil reserves of this Caribbean country being the object of negotiations between non-US multinationals a sore point for Washington, in the words of Saxe-Fernandez, because "it is an unacceptable example for Washington since if a small island with 11 million inhabitants, only 90 miles from its shores, has been capable of dissuading the major hemispheric power from a military invasion, even after the collapse of the soviet union and all its international structure, what will happen if in the future a governments reaches power which is decided in defending the right to an economic development, industrialization, sovereignty and independence of for example Brazil, country with more than 8 million square Km, with 20% of the world water reserves, with the primary biodiversity reserve and important sources of minerals; or Mexico with 100 million inhabitants and important natural resources reserves, of Venezuela with nearly 70% of the proven crude oil reserves of the hemisphere, or nations of medium size but of enormous strategic importance such as Colombia, Peru, Bolivia, etc.?" The imperialist oil geopolitics in the Golf of Mexico is just one factor that gives a new angle to the projections of USA interests over the region, affected not only Mexico and Cuba but also the rest of Latin America. The consequences over sovereignty and national security are of great importance and in especially note worthy for the Cuban case for the previously mentioned reasons.

With or without invasion, it is clear that the interventionist scale of the USA towards Cuba is a point of action for both Bush as well as the democratic candidate John Kerry.
But, to execute this military operation against the island for a change in regime before or after the elections would be a grave error, as it would generate as Saxe-Fernandez has indicated condemnation regionally and internationally and a Cuban resistance of unsuspected dimensions. The political cost for the USa in Latin America could be considerable.

From Cuba, to resist a highly costly economic and political scenario, but above all social/human, product of the growing of controlling manipulation of the United States or of a military operation, clearly requires a strong unity and social resistance (before and after such scenarios) but also of a growing job of denouncing within the international context. As a Cuban colleague was telling me, better to spill a drop of sweat now rather than a drop of blood later.

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