

The Eight Families' Rigged Oil Game

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After World War II – during which Royal Dutch Shell Chairman Sir Henry Deterding loudly supported the Nazis, while Exxon and Texaco collaborated with the Nazi I.G. Farben combine – the Four Horsemen turned their full attention to the Middle East. There the cartel operated under names like Iranian Consortium, Iraqi Petroleum Company and ARAMCO.

With the rise of the Organization of Petroleum Exporting Countries (OPEC) as a producer cartel, the companies devised increasingly sophisticated ways to diminish OPEC's collective bargaining ability.

Nationalistic governments were destabilized, discredited and overthrown by the CIA at the behest of Big Oil. Henry Kissinger set up his International Energy Agency (IEA), which the French called a *machine de guerre*.

Both Nixon's Twin Pillars Policy and Reagan's Gulf Cooperation Council (GCC) were efforts to divide OPEC between wealthy banker nations and poor industrializing nations, with the Saudis playing the key role of swing producer in both schemes.

As oil trader George Perk once commented of the Four Horsemen/Saudi relationship, "The oil markets are not free markets. Oil company officials bribe officials in Saudi Arabia. They only get into the market for a fix."

Following the Gulf War Jordan's King Hussein commented of the Saudi role in diminishing OPEC's bargaining power, "At the grassroots level, long-submerged feelings of resentment on the part of most Arabs toward the Saudis are now out of the bottle. We resent the fact that they buy everything – technology, protection, ideas, people, respectability... the Arab people are saying that the US and Saudi Arabia are indistinguishable, and from this they conclude that the Saudis are backing Israel. Have the Saudis no shame?"

OPEC emerged from the 1973 embargo determined to craft regional solutions which would lessen its dependence on the West in obtaining hard currencies necessary to function in the global economy. The 1972 Arab Summit in Khartoum, Sudan – which ended the first war between North and South Yemen – called on the rich Gulf State sheikdoms to divert their Western-bound petrodollars into development schemes for poor nations.

The industrializing OPEC price hawks formed the Steadfastness and Confrontation Front which consisted of Iraq, Libya, Algeria, South Yemen, the PLO and Syria. OPEC issued *The Solemn Declaration* which called for a more just and equitable New International Economic Order. This led to the Conference on International Economic Cooperation in Paris, where 19 developing countries from the G-77 met with their G-7 counterparts to discuss creating a more just global economic landscape.

OPEC leader Algeria led a political bloc at the conference called the Non-Aligned South Solidarity Movement, which advocated a trickling down of OPEC oil wealth to developing nations, instead of the recycling of petrodollars into Eight Families-owned international mega-banks. Out of this sprang the influential and pesky Non-Aligned Movement, which wanted nothing to do with picking sides between the West and the Soviet Bloc.

But Kissinger's IEA showed up at the Paris conference demanding that it focus solely on energy, with no linkage to the larger question of global economic

injustice. The IEA was dominated by the international bankers, who preferred tallying up interest payments on bad Latin America loans financed by OPEC petrodollars to helping the world's poor.

The bankers plowed this vast pool of money *back* into their Western piggy banks, financed US military expansionism and made available funds for CIA covert operations to protect their Four Horsemen and their stable of other various multinational resource extractors.

The Steadfastness and Confrontation Front met in Damascus in 1979 to plot a strategy to thwart the Camp David Peace Accords between Israel and Egypt, which the Saudis and the US were firmly backing. The price hawks knew that Israel served Four Horsemen interests in the region. They feared further division within OPEC if this first Arab peace treaty with Israel was signed.

But the US offered Egypt massive military aid and the Accords were signed following an intensive US effort led by former Bechtel executive Philip Habib. The Accords – coupled with Reagan's creation of the GCC (Saudi Arabia, Kuwait, UAE, Bahrain, Qatar & Oman) in 1981 – accomplished the goals of Kissinger's *machine de guerre*.

The very next year the International Monetary Fund (IMF) was officially launched. Awash with recycled GCC petrodollars, the IMF both polices and legitimizes Eight Families asset seizures worldwide.

The international petroleum standard was born.

The IMF serves as enforcer and collection agency for the international bankers whom Kissinger represents. Kissinger keeps his important papers at the Rockefeller family's vast Pocantico Hills estate in upstate New York.

(*Hmm...Occupy March from NYC?*)

The IMF pressures developing nations – who borrowed recycled GCC petrodollars at exorbitant 15-20% interest rates from Eight Families banks – to open their economies to multinational corporations owned by these *same* banks.

Bad enough they had usurped OPEC's oil wealth – which the G-77 envisioned being utilized for Third World development. Now the bankers had the audacity to loan these petrodollars – for which GCC sheiks got 6% US T-bonds – to the South at exorbitant interest rates, plunging poor nations into a bottomless cycle of debt.

Once the nations couldn't repay, asset seizure commenced. The 1995 Mexican "debt crisis" negotiations led by Citigroup resulted on the Rockefeller-controlled ASARCO taking control of the previously Mexican state-owned cement company and the takeover of the state-owned railroad by Burlington Northern (now BNSF).

Most of the usurious loans go to set up tax-free multinational operations or end up in the pockets of these countries' elites, who then make off with the cash through BCCI-like Western intelligence-controlled vassals. Workers of the Third World are then left responsible for paying back debt from money they never even received.

Former Venezuelan President Carlos Andres Perez called this IMF smoke and mirrors routine, "economic totalitarianism".

In 2001, when the Argentine government was forced to default on \$132 billion it "owed" the bankers because the IMF canceled a bailout package when Argentina refused to accept its draconian terms, the country's Minister of Finance Domingo Cavallo called the IMF "international vampires". [264]

Cavallo resigned, as did a succession of four Presidents who refused to play the IMF's rigged game. Under the brave leadership of current President Cristina Fernández de Kirchner, the Argentines are still in arrears to the IMF.

A more recent Four Horsemen trick has been to increase oil production in non-OPEC nations. In 1990 Exxon Mobil obtained 29% of its US-bound crude from Angola, 16% from Oman and 16% from Columbia. RD/Shell purchased 19% of its US-bound oil from Mexico and 17% from Yemen. Chevron Texaco got 26% of its US stock from Mexico. None of these nations are OPEC members. [265]

A recent study by the American Petroleum Institute stated that non-OPEC production growth since 1980 has eroded OPEC market influence. The 1984 North Sea oil discoveries by Norway and Britain further weakened the bargaining power of OPEC's industrializing price hawks. Norway and Britain became net exporters of crude, using that leverage to drive world oil prices lower.

The OPEC nations of Venezuela, Iraq, Indonesia and Nigeria are particularly dependent on high crude prices because oil provides a large percentage of their total exports.

In Indonesia two Presidents have been ousted since the 1999 devaluation of the *rupiah* thrust the world's fourth most populous nation into an extended period of civil unrest and economic meltdown. A December 28, 1998 article in *Business Week* detailed Mobil's massive oilfields and petrochemical facilities in the troubled Aceh region of North Sumatra.

Indonesian troops under the direction of President Suharto, whom the CIA installed after their 1964 John Hull-led *coup*, overthrew the nationalist Sukarno government and massacred protesters right next to these Mobil facilities. It was a moment of historical continuity. In 1882 Aceh tribesman had attacked RD/Shell headquarters in the very same region. The Dutch colonial government put down the rebellion in similarly brutish fashion.

Indonesia was made an economic basket case when a consortium of US banks led by Citibank began dumping money into the lap of General Ibnu Sutowo, Suharto's right-hand man who controlled the purse strings at Pertamina, the state oil company. Sutowo squandered the loot on palaces, a fleet of aircraft, a chain of hotels and a white Rolls Royce. The Indonesian Central Bank was kept in the dark as his bills mounted.

In 1974 Sutowo flew to Gothenberg, Sweden, where he christened the new oil supertanker *Ibnu* alongside close friend and sometime CIA cutout Itzak Rappaport. He then golfed with Arnold Palmer, Gary Player and Sam Snead.

The Pertamina loans topped \$6 billion. Add to that, bribes taken by scores of Indonesian Air Force officers during the 1970's to secure contracts for Lockheed Martin through numbered Singapore accounts known as the Widows and Orphans Fund. [266]

Indonesia is still burdened with that debt today. Advising the government on financial matters are Lazard Freres, Kuhn Loeb and Warburg – a group which calls itself The Triad. They also advise the governments of Congo, Gabon, Sri Lanka, Panama and Turkey.

In Venezuela Exxon's Creole Petroleum was founded by the CIA, with whom they share office space. [267] Exxon *is* the CIA in Venezuela. Bechtel built the *Mena Grande* pipeline to service Creole's oil interests. Though the country is a major supplier of crude to the US, its *bolivar* has been sharply devalued.

Public frustration culminated in the election of populist President Hugo Chavez, who is critical of the Four Horsemen and the target of an ongoing CIA destabilization effort. In 2002 the country's wealthy elite called for a general strike causing Chavez to step down temporarily. Rockefeller lieutenant and Royal Bank of Canada insider Gustavo Cisneros was squarely in the middle of the oligarchy's tantrum. Later that year *thericos* took another run at Chavez, but he refused to yield.

In 2007 Chavez demanded a larger percentage of revenue for the Venezuelan people from Big Oil. Exxon Mobil and Conoco Philips both refused and were forced to leave the country.

In Nigeria Royal Dutch/Shell and Chevron Texaco dominate the oil industry, where they produce the benchmark Bonny Light crude used in aviation fuels and other high-grade products. Recent political violence has killed over 10,000 people. Big Oil's Nigerian Delta operations have been at the epicenter of the violence.

On November 10, 1995 Nigerian playwright Ken Saro-Wiwa and eight other protest leaders were hung by the military *junta* of General Sani Abacha, another in a line of Four Horsemen puppets who have ruled the country.

Abacha's regime had given Shell the green light to drill on Ogoni tribal lands, resulting in protests by a half-million Ogoni people who said Shell had badly polluted both their land and their water.

Saro-Wiwa's family sued Shell for complicity in his death, which gained international attention. The lawsuit accused Shell of wrongful death, torture, summary execution and arbitrary arrest and detention. Saro-Wiwa's brother, a plaintiff in the suit, stated, "This is a classic case of the methods used by multinationals against those who challenge them. Taking Shell to court is one of many nonviolent methods of struggle against the company's role in the human rights and environmental degradation of Ogoni". [268]

Only a month after the hangings, Shell defiantly announced plans to embark on a \$3.8 billion natural gas project in Nigeria in tandem with the Nigerian *junta*, the French Total and the Italian Agip. Nigerian's were outraged. On March 4, 1997 protestors took 127 Shell employees prisoner, burned and looted Shell gas stations and occupied its oil platforms. Shell was forced to cut back production in Nigeria and came under increased scrutiny from human rights groups around the world. [269]

In July 2002 a group of Nigerian women took Chevron Texaco employees hostage and occupied its facilities. A day later the company's Lagosheadquarters was struck by lightning. The revolt against Big Oil in Nigeria continues.

These three cases of Four Horsemen atrocities in OPEC nations provide another reason the companies are increasingly moving to non-OPEC sources. They have simply worn out their welcome.

In 1972 OPEC produced 84.8% of oil outside the US, USSR, Eastern Europe and China. As of 1991 OPEC supplied only 60.9% of US imported oil, most of that coming from the GCC states of Saudi Arabia, Kuwait and the UAE. In 1989 18% came from the Saudis. [270]

Compliance by the GCC in overproduction of crude to keep prices low for Four Horsemen downstream operations is the key to keeping OPEC divided. The

Saudis play the key role of swing producer with ARAMCO's 10 million barrel/day capacity and 261 billion barrels of oil reserves.

The GCC shoreline on the southwest side of the Persian Gulf contains 42% of the world's oil. It is ideal topographically for cheap local transport of crude to coastal storage and refining facilities, and for the loading of crude onto tankers. The giant Burgan field in Kuwait is only five miles from the Gulf. Crude flows through a Bechtel-constructed pipeline from Burgan to a storage tank farm atop a ridge overlooking the Gulf at Al-Ahmadi. From there oil flows down into tankers waiting at port. [271] In 1978 the cost of pumping and transporting a barrel of Persian Gulf crude was less than one cent. [272]

It was cheap Persian Gulf labor that caused Big Oil to cap their wells in Texas and Louisiana and move to the Gulf. Domestic production quotas limited independent oil company production. The independents didn't have the capital or political connections to go global. From 1956-74 the profitability of foreign oil doubled, while the profitability of domestic crude stayed the same. [273]

Big Oil also imports cheap labor into the GCC states from places like Bangladesh, the Philippines, Yemen and Pakistan. Some larger independents have gone overseas but they are relegated – along with Third World government-owned oil companies – to the riskier tasks of oil exploration and production. Meanwhile, the Four Horsemen have ridden on to greener pastures downstream.

[264] BBC World News. November 2001.

[265] "Scorecards on the Oil Giants". Susan Caminiti. *Fortune*. 9-10-90. p.45

[266] *Spooks: The Haunting of America-the Private Use of Secret Agents*. Jim Houghan. William Morrow & Company, Inc. New York. 1978. p.443

[267] Ibid. p.433

[268] "Shell Sued Over Nigerian Hangings". AP. *Missoulian*. 11-9-96. p.A-6

[269] BBC World News. 3-24-97

[270] "Energy Blues and Oil". Brian Tokar. *Z Magazine*. January 1991. p.14

[271] *Oil, Industrialization and Development in the Gulf States*. Atif Kubursi. Croom Helm. Kent, UK. 1984. p.24

[272] "A Reporter at Large: The World's Resources: Parts I-III". Richard Barnet. *The New Yorker*. p.26

[273] Tokar. p.22

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