Focused On West Germany:

Battle Shaping Over Europe's Anti-Rockefeller Oil Consortium

NEW YORK, Sept. 24 (NSIPS) — Following the Sept. 15 announcement by West Germany's state-controlled energy conglomerate, Veba-Gelsenberg, that it will join four other nationally-owned European petroleum concerns in proposing the formation of a new, explicitly anti-Rockefeller oil consortium, an all-out battle has begun between Veba's backers on the one hand, and theAtlanticist-dominated government on the other.

British Petroleum (BP) today said it will join the new consortium — on the basis of "the identity of German and British national interests," a London BP official emphasized. A spokesman for BP's Netherlands subsidiary has written an article for the Dutch press endorsing the European-wide move. BP, which has Rothschild connections, had been touted by the New York Times and International HeraldTribune as a holdout against the proposal.

A preparatory meeting took place on Tuesday in Hamburg for an Oct. 12 conference to begin actual implementation of the proposal, which has been submitted to the European Economic Community (EEC). The seven participants in the preparatory meeting, who together control 50 per cent of West German refinery capacity, included Veba-Gelsenberg itself; AGIP A.G. of Munich, a branch of the Italian state firm which has led the consortium push; the state-subsidized Bergwerke A.G. of the Saar region, partly controlled by leading West German and Dutch industrialist shareholders; Wintershall A.G., the fertilizer subsidiary of BASF, one of the West German Big Three chemical producers; UK Wesseling, a British oil refining and petrochemical subsidiary; the West German branches of the French sponsors of the consortium plan; and West German BP.

West German pro-development forces as a whole chose oil for the first big battle with the Rockefellers, whose multinational corporations still control essential petroleum importing and refining networks, and have thus retained a veto capacity over West German industrial expansion — most drastically exemplified by the crippling economic effects of the 1973-74 oil price hoax.

An editorial in the Sept. 20 Handelsblatt by Eberhard Wisdorf (who earlier this year introduced his readers to the concept of general Third World debt moratorium) recalls that it was this oil crisis that prompted the public utilities giant, Veba, to take over the Gelsenberg oil concern — precisely to create an independent West German oil supply. Wisdorf accordingly demands that West German economics minister Hans Friderichs justify his bitter opposition to the new European consortium. Handelsblatt, the "Wall Street Journal" of West Germany, had in the past frequently made sport of Veba's hardships at the hands of the multinationals.

Friderichs went on television Sept. 19 to attack the head of Veba-Gelsenberg, Rudolf von Bennigsen-Foerder, for "dirigism" — a scare word meaning Gaullist "creeping socialism." Friderichs reportedly intends to follow his attack by putting his own undersecretary, Ernst Rohwedder, a faithful microphone for Henry Kissinger's energy policies, into Bennigsen's position.

Informed sources say that top Social Democrats uniformly oppose Veba's participation in the anti-Rockefeller consortium, and Atlanticist press outlets, including the Swiss Neue Zürcher Zeitung and the Frankfurter Allgemeine Zeitung, have echoed the West German government's denunciations of Veba for plotting cartel violations of "the free market" and corporate "freedom of decision." Von Bennigsen replied that on the contrary, the plan is geared to enhance West German national competitiveness in "a market not solely determined by market forces." No proponent of the consortium has yet pointed out that the Rockefellers departed somewhat from *laissez-faire* in organizing the 1973 oil hoax — or that the West German government which has systematically discriminated against Veba is the same government "advised" by Standard Oil employees like former Occupation High Commissioner John J. McCloy.

Veba's History

The 1974 merger between Veba and Gelsenberg made it the corporate entity with the largest annual sales turnover in West Germany. Von Bennigsen arranged for expanded direct imports of Arab oil, electricity investment, and links with the dominant Ruhrkohle coal firm. Veba also consolidated its ties to the Ruhr-based RWE utilities complex and the state-owned steel enterprise, Salzgitter, which has just clinched a pace-setting contract to build desalinization works in Libya.

The potential power and cohesion of this energy-industry complex remained submerged up to now, because industrialists let the government hamstring Veba by forcing it to build up large, expensive oil reserves, and by smugly refusing to place tax surcharges on the multinationals to augment Veba's competitiveness. Reflecting Rockefeller pricing and marketing policies, Veba-Gelsenberg has been losing $18 on each ton of oil it imports.

When Veba and Gulf undertook a deal with Saudi Arabia last year at the expense of certain Rockefeller Seven Sisters, the U.S. sabotaged the arrangements. Steps toward international technology-for-oil projects collapsed when Friderichs negotiated the terms. The dominant thrust of the new European consortium is now toward precisely such arrangements, involving both the socialist countries and the Third World.

The U.S. State Department insisted yesterday that the consortium is still "a long way down the road," enumerating steps to stall and sabotage it available to the EEC Council of Ministers. However, the coming weeks may well change the identity or outlook of those ministers; as one Veba-connected West German corporate official said today, "the debt moratorium issue is the central point in world politics." Meanwhile, von Bennigsen undoubtedly already commands strong domestic support, or he would never have been able to come out with a policy he has been quietly planning for at least a year and a half.

Under the circumstances, when West Germany's Standard Oil subsidiary, Deutsche Esso, warned this week that "Veba may hurt the multinationals' interests, but West German exports will be hurt, too" — a bald threat to sabotage the nation's trade — they were twisting a strong arm, and twisting it too late.

Lehman Brothers Oil Specialist Foresees Oil Embargo

Sept. 24 (NSIPS) — The following interview with an oil specialist from the Wall Street investment firm, Lehman Brothers, was made available to NSIPS by an independent journalist.

Q: Do you see an oil embargo occurring as a result of the impasse over debt moratoria at the North-South talks or due to a falling out between the U.S. multinationals and the newly formed, independent West European oil consortium? Is that why the Europeans are forming this consortium?

A: It's a likely possibility. Yes, the Europeans are doing something quite logical to protect themselves. After all, it happened before... .

Q: Might the Organization of Petroleum Exporting Countries foolishly become convinced that they should use the oil weapon as a wa to try to force Western concessions at North-South? South?

A: Sure. They will try to use this as a last-ditch weapon.

Q: But won't it be difficult for the public to believe that Saudi Arabia would go along with such an "anti-American" act?

A: One can never tell what the Saudis will do, especially when confronted with a religious problem.

Q: What about the dangers in Lebanon or elsewhere within the Middle East?

A: For one, there's Egypt — it's a tinderbox and bankrupt. Any time such economic-political problems are present, you always have an inherent potential for war. . . . Who knows what its crazy neighbor to the West (Libya) might do? Invasion? Well ... after all, Sadat did it to Israel. Otherwise, in Lebanon or around it, there is always the possibility of Palestine Liberation Organization terrorism, considering all the idiots running around with bombs these days.

PSIer Bitetto: Eliminate the Mediation of the Multinationals

Sept. 24 (NSIPS) — The Italian Socialist Party daily, Avanti, today published the following excerpts from a speech given at the Party's Seminar on Economic Problems and Energy Policy by Comrade Bitetto.

". . . We must clarify some situations which are currently relatively unclear . . . such as that of oil supplies. . . . Over 90 per cent of oil imports are mediated by the multinationals. The pregressive elimination of such a mediation is the necessary condition for the start of an energy policy that would be coherent with our national interests. To this end we must carry out a shift in foreign policy that would be able to overcome the obstacles placed in our way by U.S. political and economic circles, and that would be able to strenghten new commercial relations with the exporting countries through new initiatives in a framework of a strong political thrust for reciprocal and interdependent economic and industrial (ties with the oil producers). In order to carry out this role, the Italian government requires not only an energy policy, but above all a foreign policy. . . ."

French PM Barre's Anti-Inflation Plan Postpones Fight For Development

Sept. 24 (NSIPS) — French Prime Minister Raymond Barre made public a lame "anti-inflation" program Sept. 22 in Paris. A mixture of tax hikes, energy consumption ceilings, and seemingly tough credit and industrial price restrictions, Barre's program is a bankrupt propaganda sheet designed to give capitalists and workers alike the illusion that something is being done to relaunch the French economy and keep inflation down. It "slows the clock down" as one commentator noted, in an attempt to postpone any meaningful decisions until after the Third World debt problem is resolved.

Barre's absence of clear direction testifies to the reluctance of his Gaullist allies — who control the government — to resolutely assert their hegemony over Atlanticist French President Giscard d'Estaing. As a result, it is still questionable whether France will actually follow the Third World in calling for a new world economic order based on debt moratorium and the International Development Bank. Any further stalling by the Gaullists on this point can only jeopardize their relative factional strength to the advantage of the Atlanticist agents who run both the other "presidential majority" parties and the Socialist-Communist "Union of the Left" alliance.

Capitalists Waffle

A column by former Gaullist prime minister Michel Debré in today's Le Figaro exemplifies the uncertain reactions of the French capitalist class around the question of expanded production and development. Debré characterizes Barre's plan as necessary "because we were on the verge of run-away inflation. . . ." After praising both the prime minister and his program, Debré then reveals his doubts concerning the government's determination to extend its anti-inflation action by a resolute development orientation: "Everything holds together politics. One does not struggle against inflation with money fetishism. One struggles against inflation to develop the country's social health and economic capacities. . . ."

The managers' association, CNPF, yesterday expressed a similarly worried viewpoint: "The interest of everyone and the future of France command that this plan succeed. . . . (but) we also need investments. . . . The government plan is very lacking in this regard. . . ."

In contrast to this timorous waffling, the reaction of working-class organizations to the Barre plan has been scathingly hostile. Georges Séguy, general secretary of France's largest trade-union, the Communist-allied CGT, termed the plan "a declaration of war against workers." Séguy said yesterday that Barre's so-called "guarantee of purchasing power," according to the CGT's index, "means ... a new deterioration of the purchasing power of wages by some 3 or 4 per cent. . . . We denounce the attempt to impose an incomes policy through authoritarian means. . . ."

The executive committees of the CGT, CFDT, and FEN unions met immediately — the morning after Barre's plan was made public — to determine what action to take in opposition to the government. According to the press, the unions agreed to stage a nationwide general strike accompanied by protest demonstrations October 7. Such working class pressure is unlikely to break the tactical alliance for "inflation control" between the Gaullists and their Atlanticist enemies. On the other hand, a unilateral declaration of debt moratorium by the Third World is sure to drive a wedge between the pro-development Gaullists and the monetarist Giscardians.

The Barre Proposals

The principal features of the Barre program — which would crop 16 billion francs out of the economy (approximately $3.3 billion) at one blow — are as follows:

* The freezing of prices and public service costs until the end of the year, with a 6.5 per cent ceiling on increases in 1977.
* The recommendation that negotiated wage increases be limited to 6.5 per cent.