and SIS-linked Muslim Student Association in the United States and the London-based Islamic Council of Europe provided the personnel for the Iranian Muslim Brotherhood "government-in-exile" in 1978, and opened the doors for contacts with co-thinkers in the Arab world, Turkey, Pakistan, and India.

The full story behind the Islamic revolution in Iran is told at length in this author's book, *Hostage to Khomeini.*

Spread of Islamic revolution

Within a year of the fall of the Shah, the price of oil had tripled again. But the revolution in Iran was meant to be only a first step. Coinciding with the Iranian revolution was the appointment of Paul Volcker to the chairmanship of the U.S. Federal Reserve Board, whose high-interest-rate policies served to collapse industrial production rapidly and create the current oil "surplus." Khomeini's assignment, however, was to spread the "Islamic revolution" to the other states of the Middle East and the Islamic world, replacing the pro-development outlooks of Iraq, Saudi Arabia, Nigeria, and Indonesia with the backward-looking fanaticism of Khomeini's Iran; and for this the Muslim Brotherhood network is ideal.

Under London's tutelage, a hundred new Muslim Brotherhood institutions have been established in the last few years. Dozens of Islamic banks, such as the House of Islamic Money of Saudi Prince Mohammed Faisal, have spread their tentacles—usually from bases in London or Switzerland. Glossy pro-Muslim Brotherhood publications like *Arabia* magazine have sprung up, and conferences on the alleged opposition of Islam to the process of "Westernization" have provided rationales for the spread of Malthusian doctrines under "Islamic" guise.

There is no question that today Saudi Arabia itself is threatened by the Muslim Brotherhood coalition. The open emergence of the Israeli-Iran axis—with Israel admitting that it supplies weapons to Khomeini's hordes—and the support for Khomeini by Arab and Palestinian extremists like the Popular Front for the Liberation of Palestine represent a threat to Saudi stability. Within the House of Saud, there are reportedly factions prepared to join with London against the United States. These Saudi forces are led by Prince Abdullah ibn Abdel-Azis, commander of the Saudi National Guard, a British agent of influence who recently won an endorsement from Col. Muammar Qaddafi of Libya for his factional opposition to Crown Prince Fahd and his brothers. Should Saudi Arabia, currently producing half of OPEC's entire output, collapse to an "Islamic revolution" of London's making, the energy crisis of 1980s will make the 1970s look like the good old days.

A profile of the multinationals

by William Engdahl, Energy Editor

"The problem with the American majors is that they still tend to think too bloody much like national oil companies, and not the way the British companies do, as truly multinational organizations." This was the evaluation of a prominent member of British peerage to a group of friends in New York on the eve of the British Petroleum-run destabilization of the Shah of Iran in February 1979. The British peer's complaint, although to some extent outdated today, is a very useful point of departure for looking at the oil multinationals, the giant corporate entities which comprise seven of the world's top ten industrial companies.

In addition to their absolutely essential role as energy and technology organizations in the running of world industry, the major multinationals also have a higher-order role as controllers of the largest single cash flow in the world economy. Since the nearly 1,700 percent rise in the price of crude oil beginning with the 1973 "oil shock," the cost to the world economy of its crude trade has become a *one trillion dollar* annual business. Through sophisticated political manipulation of strategic world events since the 1969 coup against Libyan King Idris, the handful of London-led multinational petroleum companies, the so-called London group (nicknamed the Seven Sisters in the late 1960s) which has met secretly since 1934 under the aegis of British Petroleum and its cousin Royal Dutch/Shell, has accumulated global economic power of hitherto unimaginable scale.

Leaving aside for the moment the direct effects on world industry and trade of a forced price increase of 1,700 percent for vital energy feedstocks, this has given the multis enormous power to shape the events which will determine the future health or collapse of both the industrialized and developing sectors of the world. As other sections of this report document in detail, the men who dictate policy to the oil multis have, throughout the 1970s, used the energy price jack-ups and the enormous new financial power of the multis to bring about what the Council on Foreign Relations' *Project 1980s* series of publications characterized as the "controlled disintegration" of the world economy: the rapid deindustrialization of the developed Western nations, the slowing of world trade to a trickle, and—as a consequence of the world depression brought on by the collapse in the advanced sector—the genocidal depopulation of the Third World.

Here we will give a brief sketch of each of the great oil majors—British Petroleum, Royal Dutch/Shell, Texaco, Mobil, Socal, Exxon, and Gulf, which are grouped together as the so-called Seven Sisters, and two closely affiliated oil majors, Atlantic Richfield (Arco) and Occidental Petroleum. We will demonstrate how each functions, and under the influence of what agencies and individuals, on behalf of the Malthusian planners who brought about the Great Oil Hoax of the 1970s and intend to use it through the 1980s, if necessary, to fulfill their objectives of world depression, controlled disintegration, and genocide.

It is clear to any seasoned intelligence professional, indeed to anyone who has closely followed the political decisions shaping recent Mideast, European, and U.S. policy, that there are sometimes severe factional differences among the members of the London group of companies. At present, it can only be said that the visible track-marks of the American-based major companies show them to be largely led, whether through incredible short-sighted stupidity or, in some known cases, through documentable venality, like pups by the London policy leash.

Her Majesty's Secret Service

In recent years, under the debacle known as the Thatcher government, British financial apologists have pointed to their oil companies and their North Sea black gold as the one bright spot of an otherwise catastrophic economy. We begin our brief view of the major international oil companies with British Petroleum and Royal Dutch/Shell.

British Petroleum: Properly understood, BP is not any ordinary private oil company. It is an economic warfare arm of the Bank of England and Her Majesty's government. Founded in 1909 following the first commercial discovery of oil in Iran and originally known as the Anglo-Persian Oil Company, BP has been an arm of British foreign intelligence from its inception. The British government has owned the dominant share since the outbreak of World War I in 1914. By 1975, BP was owned 48 percent by the British government and 20 percent by the Bank of England. BP is an integral part of London strategy to replace a defunct dollar with the British pound sterling as once more the leading currency of a radically reorganized world trade.

From its documented complicity in running the devastation of Iran in 1978-79, seemingly against its own self-interest as the major holder of lifting rights for Iranian crude together with Shell, BP actually enjoyed a dramatic real profit increase from its remaining North Sea and U.S. Alaskan holdings following the second round of world oil price hikes which more than offset losses from its marginal Iranian holdings. Through its Sohio subsidiary, BP is dividing the spoils of the huge 10 billion barrel Alaska North Slope field with Exxon and Robert O. Anderson's Arco.

Most interesting is the shift over the last decade in the corporate profile of the company. In the early 1970s BP had much the same exposure as the American companies. It depended almost entirely on OPEC for its crude supply. But by 1980, BP had quietly made a profound corporate shift, while the American majors remained in the Mideast. It had gotten out of Iran and Nigeria and positioned itself to draw 73 percent of its total reserves from its North Sea and North Slope Alaska holdings. It is crucial to keep this in mind.

Now we turn briefly to the profile of the men who run Her Majesty's oil company. One of the more prominent families represented on the board of BP is the Earl of Inchcape, Chairman of Inchcape and Company, director of Standard and Chartered Banking, Limited and Peninsula and Orient Steamship Lines. The Inchcape dynasty has been deeply involved in world opium trade since the early 19th century. Standard and Chartered is known as "the bank of the British Empire" in Africa and the Far East.

Until very recently, Lord Inchcape was joined on BP's board by Lord Humphrey Trevelyan, who headed the top-level "mother" of David Rockefeller's New York Council on Foreign Relations, the venerable, highly secret policy group known as Chatham House or the Royal Institute for International Affairs (RIIA). Also sitting was Sir William J. Keswick, whose family runs Jardine Matheson, the orient merchant house which has run world opium trade since the Keswick family founded it in 1828. Another representative of the influential Standard and Charter banking group on BP's board is Lord Barber, who served Her Majesty as Chancellor of the Exchequer in the early 1970s when John Connally, Jack Bennett, and Paul Volcker were actively destroying the underpinnings of the U.S. dollar from their posts at the Treasury Department.

Royal Dutch Shell is an arm of the combined Dutch royal family's Royal Dutch Petroleum Company of The Hague and the Shell Transport and Trading Company of London. Its chairman during the 1930s, Sir Henri Deterding, was one of the key international financiers of Adolf Hitler, who bootlegged petroleum supplies to the Wehrmacht.

Shell has shifted its corporate profile away from the less profitable direct holdings of crude in OPEC and elsewhere toward dominance in the downstream transport side of crude transfers, making the company unusually profitable and second only to Exxon among the major oil corporations of the world.

This most "royal" of oil companies is headed by a group that counts among its numbers the distinguished Honorable Peter Montefiore Samuel of the Hill Samuel family banking interests, and Baron Cole, former chairman of the large Unilever Anglo-Dutch chemicals group, former chairman of Rolls Royce, a member of the prestigeous Council of the Royal Institute of International Affairs (RIIA), and a member of the International Advisory Board of David Rockefeller's Chase Manhattan Bank. Sir Dennis Wright, another prestigeous director of the Shell group, is also a director of Standard and Chartered Banking, who served during World War II in Her Majesty's Consular Service as an economics warfare specialist throughout the Balkans, ultimately becoming British ambassador to Iran, a post he held until 1971. The Earl of Cromer, no lightweight in oligarchical circles, is also known as G. R. S. Baring, manager of the enormously influential British banking house, Baring Brothers. The earl, who was ambassador to Washington while his colleague Dennis Wright was in Teheran in the early 1970s, served as governor of the Bank of England and a director of the International Monetary Fund (IMF), appropriate training for his role in using the enormous resources of Shell to conduct global economic warfare in the present period.

The list is longer, but this suffices to illustrate one point: The London oil majors are not primarily oil companies per se, but rather highly sophisticated adjuncts of the leading banking and political families of the Anglo-Dutch black oligarchy. Since the 1877 will of Cecil Rhodes, these families have been explicit about their plans to reestablish British-controlled neo-feudalism upon a depopulated world.

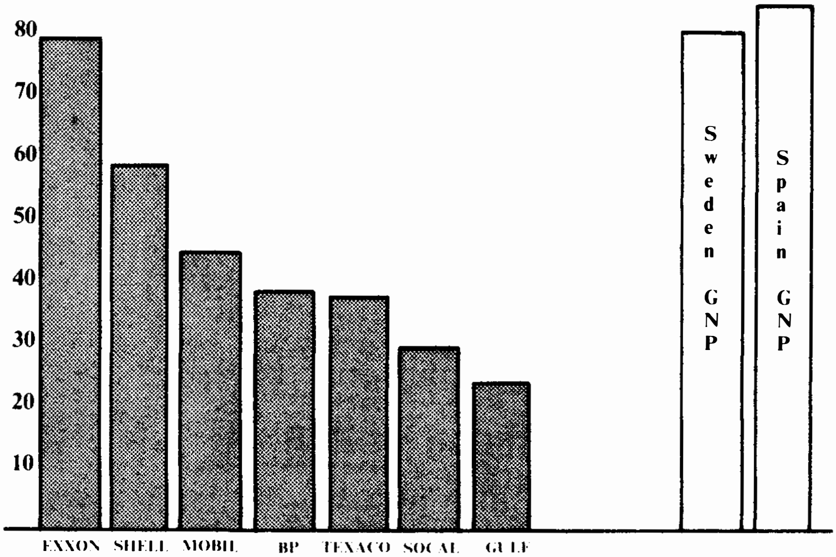
The American little sisters

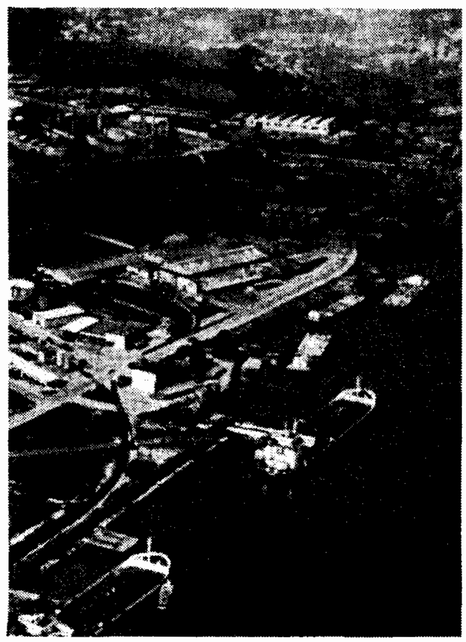
We have seen that Chatham House and the Bank of England are the "mother" of policy determination for the London group of major oil companies. Likewise, the New York Council on Foreign Relations, which was explicitly established by the RIIA in 1917 to be an active arm of British policy input into the U.S. ruling circles, is the locus of influence which determines, together with the large New York money center banks such as Chase Manhattan and Citibank, the policy direction of the U.S. major companies—Exxon, Mobil, Texaco, Gulf, and Chevron, otherwise known as Standard Oil of California or Socal.

Exxon: Exxon is known by various people in the industry who have had dealings with the company as "the double cross," an intentionally ambiguous allusion to the Madison Avenue-inspired corporate name adopted in 1972. Exxon replaced General Motors as the world's largest industrial corporation in the wake of the doubling of oil prices after the 1979 events. In 1981, Exxon had total worldwide corporate revenues of a staggering $115 billion.

Exxon, which had its origins as the flagship of the old John D. Rockefeller Standard Oil Trust until a

1979 sales of international oil majors
(in billions of 1979 dollars)





British-inspired anti-trust campaign succeeded in 1909 in forcing the trust's breakup, was created by the merger of the old Humble Oil and Refining Company with Esso Standard Oil Company. In 1948, it gained a 30 percent interest in a little concession in Saudi Arabia known as the Arabian American Oil Company or Aramco, by far the single most influential oil corporation in the world to this day.

Today's Exxon prefers an image of anonymity behind a facade of "management by committee" consensus. Exxon, however, is run by real individuals, who command its gross revenues which run well in excess of major industrial nations. Not surprisingly, most of the individuals are members of the elite Anglo-linked Council on Foreign Relations. They include people such as Sir Richard Dobson, former chairman of British American Tobacco who spent the war years in China. Exxon Chairman Clifton C. Garvin, Jr. in addition to being a director of Citibank—with which Exxon has more than one quarter of a billion dollars in loans outstanding—is also a member of the CFR, as is J. Kenneth Jamieson. President H. C. Kauffmann, while not yet on the CFR, is a director of David Rockefeller's Chase Manhattan Bank, which also has about one quarter of a billion dollars in loans outstanding to Exxon. Exxon Senior Vice-President Jack C. Clarke, who oversees the Mideast for the company, sits on the CFR as well as Georgetown Center for Strategic and International Studies and is a trustee of Robert O. Anderson's Aspen Institute. Donald M. Cox, another senior vice-president, is a member of the exclusive British-North American Committee. And senior vice-president for finance of the huge corporate entity is one Jack F. Bennett, who took leave from Exxon in 1971 to serve under Treasury Secretary John Connally along with then little-known Paul Adolph Volcker. Bennett was one of the financial strategists around Connally who persuaded President Nixon to break the United States open to "funny money" destruction by taking the dollar off the gold standard on August 15, 1971. Bennett sits on the Council on Foreign Relations. There are several other high-ranking Exxon officers sitting alongside Garvin, Bennett et al. on the CFR. The point becomes clear: There is a close affinity between the CFR and Exxon.

Mobil: A partner with Exxon in the Aramco group in Saudi Arabia, Mobil is locked into the North Sea game along with BP, Shell, and others. Another chunk of the old Standard Trust breakup, Mobil is headed by a management group led by CFR member Rawleigh Warner who also sits on the boards of American Express and Chemical Bank of New York. President William Tavoulareas also sits on CFR, as does Mobil's vice-president for public affairs, one Herbert Schmertz, who, when he is not writing ads defending Mobil and "free enterprise," is volunteering his services to the Kennedy family as campaign director to Ted "anti-Big Oil" Kennedy. One can imagine that there's more here than just good corporate public relations. George C. McGhee, a Mobil director and former assistant secretary of state, is a trustee of the Aspen Institute and a member of the CFR.

Texaco: Also a major Aramco partner, Texaco holds a 50 percent share with Socal in Caltex, which operates in Europe, the Far East, and Mideast. Texaco has the reputation of being the most poorly managed of the major oil companies. A board member, Willard C. Butcher, sits on the CFR and is chief executive officer of Chase Manhattan Bank. Fellow director Robert Roosa, a close ally of Marshall Plan fabian and Socialist International figure Averell Harriman, is one of the leading New York banking strategists as a senior partner of Brown Brothers, Harriman. Roosa is also one of the select higher elite of directors of the CFR. The Earl of Granard, member of the elite Order of the British Empire, also sits on Texaco's board, giving the company a familiar Anglo-aristocratic flavor.

Standard Oil of California (Socal): Socal, the fourth partner in Aramco, was the first to make a major discovery in the now-legendary giant fields of Saudi Arabia in 1938. Chevron, the wholly owned marketing arm of Socal, is also involved in Indonesia in a major way and is a major shareholder in the giant AMAX coal and minerals firm. Although Socal's chairman and president do not sit on the CFR, this San Francisco-based major includes as directors the infamous A. W. Clausen, current head of the World Bank and former head of Bank of America, the largest bank in the United States. Director Charles M. Pigott is on the CFR, and on the board of Citibank and the kooky social control laboratory Stanford Research Institute. David Packard of the Trilateral Commission, a specialized spinoff of the CFR, also serves on the Socal board, and Stanford Research Institute's board. Director George Weyerhauser of the large lumber conglomerate joins them.

Three other companies warrant brief mention here for their relation to the geopolitics of world oil. These are Gulf Oil, Occidental Petroleum, and Atlantic Richfield. Although none are tied into the giant Saudi Aramco group as are the other U.S.-based majors listed above, each are significant in different ways to fill out our strategic intelligence map of world oil policy.

Gulf: The smallest of the world's leading seven integrated petroleum companies, the Pittsburgh-based Gulf is tied to the Mellon banking family, one of the leading Anglophile families of the United States. The present position of the company is heavily tied to its agreements with the governments of Angola and Nigeria where it has the major concession for crude production. Gulf has been headed since 1976 by Jerry McAfee, who, while not himself a member of the Council on Foreign Relations, is a trustee of the Aspen Institute of Atlantic Richfield's Robert O. Anderson.

Occidental Petroleum: "Oxy" is the creation of long-standing British intelligence stringer Armand Hammer, who enjoys to this day the warm friendship of Muammar Qaddafi of Libya, where Occidental has derived the great measure of its wealth since the 1969 coup put that supporter of international terrorism into power.

Aside from Hammer, who has been involved in every dirty British intelligence operation over the past 60 years, starting with his stint in the 1920 spiriting art treasures out of Russia, Oxy includes on its board such people as A. Robert Abboud, former head of First National Bank of Chicago and member of the CFR. Oxy's vice-president for public affairs is one Gordon Reese, who primed for the job by serving as Margaret Thatcher's campaign director in Britain. Hammer is thoroughly implicated in the criminal Billygate Libya conspiracy (*EIR*, Sept. 16, 1980), and maintains ties with the worst elements in the East bloc.

Atlantic Richfield: Arco is significant to round out our intelligence picture because of its pivotal relationship to British Petroleum and Exxon in controlling the huge Alaska Beaufort Sea North Slope oil and gas reserves. Arco creator Robert O. Anderson has played a strategically central role with certain surrogates of British intelligence through his Aspen Institute. The Aspen Institute networks were central together with BP and Shell intelligence assets in the destabilization of the Shah of Iran, the trigger for the second great oil price shock of 1979-80. Arco has also played a significant role in recent price warfare operations against Mexico, where an "Iranization" scenario is in operation to destroy that nation's industrial-development policy. Anderson and Arco have been extensively covered elsewhere (see *EIR*, Feb. 16, 1982), so it will suffice here to emphasize his relationship to the Bank of England policy for the international energy markets.

Whether, within this group of corporations with almost unimaginable global power and influence, there still exist remnants of enlightened self-interest which are capable of factionally breaking with the London-centered policy of global "controlled economic disintegration" as outlined by the 1975-80 Council on Foreign Relations *Project 1980s* papers is by no means clear. But it is clear that some considerable portion of the responsibility for the survival of human civilization in recognizably healthy form rests the determination of that question.

Anglo-American rivals in the Persian Gulf

Since the late 1950s when it became apparent that Saudi Arabia was destined to become the largest oil exporter in the world, the United States and Britain have disputed which country would profit from marketing and developing Saudi Arabia's vast oil wealth.

The founder of the Saudi dynasty, King Abdul Aziz, cultivated a close alliance with the United States through his friendship with Franklin Roosevelt; but Abdul Aziz's successor, his eldest son King Saud, who took power in 1953, had a very different attitude toward the United States. Saud's rude treatment of the four American partners of the Arabian American Oil Company, Aramco—typified by his early effort to force Aramco to relinquish all oil-shipping rights to the Greek magnate Aristotle Onassis—was aimed at pushing the U.S. companies out of Saudi Arabia. Onassis maintained close ties to the Anglo-European nobility, the same corrupt jet-set circles Saud surrounded himself with.

In 1964, the United States exerted its influence in Saudi Arabia by working with a faction within the royal family centered around Prince Faisal, and ousted King Saud. Faisal then became king, and reaffirmed Saudi Arabia's friendship with the United States. Faisal was assassinated in 1974 by the same Muslim Brotherhood sect which first attempted his murder weeks after he took power. As *EIR* has documented, the Brotherhood is the creation of British intelligence.

Today, Crown Prince Fahd is committed to continuing the policies of Faisal, by maintaining Saudi Arabia's strong ties with the United States embodied in the Arabian American Oil Company.

A Washington analyst last week observed that the U.S. majors are "totally in league with Riyadh on putting a floor under the current price," but Britain is committed to breaking the U.S.-Saudi link and gaining full control over its prized old colonial holdings, the Persian Gulf and the Arabian peninsula, giving the City of London control over the largest oil reserves and associated dollar holdings in the world.