

Editorial

Not another oil hoax

The Middle East has been a British playground for over two centuries. It is long overdue that London be called to account for its vicious games.

The present speculative binge in the oil markets is another case in point. Once again, prices at the U.S. pump are soaring, under conditions in which there is not only no shortage of oil, but, if anything, a glut. Although, for the moment, the hike in gasoline prices has been more noticeable to the consumer, there has been a similar speculative jump in the prices of food commodities such as wheat, corn, and soybeans.

The claim is made that the extraordinarily cold winter weather is the cause of the alleged present shortage. What is not being said, is that the major U.S. oil companies deliberately cut back oil imports into the United States, in order to create the present situation of low oil inventories. This was no problem for them, since 41% of the world's oil is controlled by just six major companies: Royal Dutch Shell, British Petroleum, Exxon, Mobil, Texaco, and Chevron (Chevron and Gulf merged in 1984).

Despite the fact that February was a cold month, imports to the United States were slashed 10% from January levels. There was no shortage on world markets which could account for such a decision.

Internationally, food commodities such as corn and wheat have also gone up sharply in the commodities market, which, like derivatives trading, is one of the most speculative areas for financial investment. Corporations such as Cargill, Archer Daniels Midland-Töpfel (ADM), Royal Dutch Shell, and Exxon, which collectively make up an Anglo-Dutch raw materials cartel, are making super-profits from this new speculative binge.

However, it is important to be clear that the cartels' gain is primarily political. The House of Windsor crowd is forcing up prices in the United States, in order to undermine President Clinton's reelection campaign. For example, ADM Chairman Dwayne Andreas sits on the board of the Hollinger Corporation, whose British intelligence role in attempting to destroy the U.S. Presidency has been documented in *EIR*. The corporation

owns the *Daily Telegraph*, one of Britain's leading newspapers, which has played a crucial role in the Windsor slander campaign against President Clinton.

The Clinton administration's decision to sell 12 million barrels of oil from the Strategic Petroleum Reserve, in order to ease the pressure on prices, is definitely a step in the right direction. Also, the Justice Department has appointed a five-man team to investigate potential price-rigging. But such probes will only scratch the surface, unless they look at the present situation in the context of the two other major oil hoaxes since the Arab oil boycott in 1973-74.

During its 21 years of existence, *EIR* has consistently documented how the British destabilizations in the Middle East are used as a tool to impose their political will. For example, the Arab-Israeli war in 1973 was fomented by the British in a manner similar to their instigation of the assassination of Israeli Prime Minister Yitzhak Rabin, on the one side, and Arab terrorist groups on the other, in order to sabotage the implementation of the historic accord between the Palestinians and Israel.

The Arab oil boycott which followed was then used by the British as a tool of economic warfare, especially against the developing sector. At that time, oil prices leaped dramatically. Then, in 1979, the shut-down of Iranian oil exports provided the impetus for a new wave of speculation and a further hike in oil prices. Each crisis, in turn, was used to boost the environmentalist movements.

With gasoline-rationing on the horizon, a further impetus was given to the shift in the United States away from high-technology industrial production, into service industries. This was a leading British objective, from the days when President Kennedy had put the United States back on track industrially with the Apollo program and fiscal incentives to boost high-technology investment.

It is crucial that the British not be allowed to sabotage President Clinton's peace initiatives. It is even more critical to take the levers of their power away from them.