
E-Merging Disaster

The record pace of mergers and acquisitions is a disaster in the making, and the death of our national economy.

The speed of global cartelization, referred to by the more benign euphemism, mergers and acquisitions (M&A), is continuing to accelerate, with ever-bigger deals, and an influx of private equity and hedge fund deals. This rate of cartelization functions as an economic indicator of sorts, as it represents the speed at which the financial system is being rationalized in an attempt to keep it from vaporizing.

Globally, some \$3.8 trillion in M&A deals were announced in 2006, up from \$2.7 trillion in 2005. Through the first five months of 2007, there have already been \$2 trillion in deals announced, with more coming every week, putting the world on a pace to top \$4 trillion for the whole year.

Several factors play into this merger frenzy. The first is the international financial oligarchy's determination to use corporations as the vehicle to defeat the concept of the nation-state, expressed in its highest form to date in the U.S. Declaration of Independence and Constitution. A second factor is the use of mergers and takeovers to hide the bankruptcy of the system, by providing a mechanism by which debts can be restructured without having to admit that a debt crisis existed in the first place. A third factor, related to the first, is the oligarchy's plan to use cartels and markets to control both the supply and the price of essential goods and services in the post-bubble world, as a way of subjugating and controlling nations and their populations.

Perhaps the best known of the international cartels these days is the oil

cartel, which is dominated by a small group of huge multinationals. Many years ago, this cartel was known as the Seven Sisters: Exxon, Royal Dutch Shell, BP, Gulf, Texaco, Mobil and SoCal. Three of the Sisters, Exxon, Mobil, and SoCal, had been part of John D. Rockefeller's Standard Oil Trust. Today, those Sisters have been reduced to four by mergers and takeovers: ExxonMobil, Royal Dutch Shell, Chevron (formerly SoCal, which absorbed Gulf and Texaco), and BP (which absorbed Amoco and Atlantic Richfield). France's Total, which absorbed Elf Aquitaine and PetroFina, is now considered a fifth Sister. These companies, along with the large so-called independent oil companies and the oilfield service companies like Schlumberger and Halliburton, control the global oil business through their control over the transportation and processing of petroleum and its byproducts. In addition to this physical-economic aspect, the oil cartel is a key element of a larger geopolitical battle, in which control over oil supplies and control over the huge volumes of petrodollars are used to shape the world according to the designs of the cartel's imperial masters. The concentration of the control over oil into so few hands is one of the reasons we see such high gasoline prices in the United States today.

A similar consolidation has been playing out in sector after sector, notably agriculture, communications, news and entertainment (a shrinking distinction as entertainment increasingly is treated as news), mining, electricity

generation and distribution, and pharmaceuticals.

In the pharmaceutical sector, Pfizer has absorbed Warner-Lambert and Pharmacia-Upjohn; GlaxoSmithKline is a combination of Glaxo, Burroughs Wellcome, Smith Kline, and Beecham; Novartis is a combination of Ciba-Geigy and Sandoz; and Sanofi-Aventis is a combination of Sanofi, Synthelabo, Rhône-Poulenc, and Hoechst Marion Roussel, just to name some of the more complex big ones. This is another sector where the market concentration helps keep prices high.

The issue here is not size, but the way in which cartelization is being used as a strategy by the oligarchy to control both the supply of selected goods and their prices. Once a certain market dominance threshold has been achieved, competition begins to give way to control, and a cartel begins to emerge.

At times in our history, the U.S. government would act to stop such cartels from forming, or break them up, as FDR did with the banking and electric utility cartels, but today our government often actively defends them, under the guise of protecting commerce. However, allowing cartels to operate freely—their version of “free enterprise”—is destructive to the nation, economically and politically. These cartel companies, even those based in the U.S., are not really American, but Venetian, in method and outlook, part of a system designed to preserve imperial power.

These cartels are the anthesis of the American System, which was based on the idea that all men are created equal, and that the minds of its citizens, properly educated, are the greatest assets any society has. If the U.S. wishes to survive, these are the principles to which we must return. Adam Smith was a fool; exploitation is not only immoral, but bad economics.