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The Four Horsemen Behind America's Oil Wars

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While Americans are robbed at the gas pump, Exxon Mobil will this week report a 60% increase in its quarterly net profits to a cool $10 billion. Royal Dutch/Shell will report a 30% increase.

In 1975 British writer Anthony Sampson penned The Seven Sisters, bestowing a collective name on a shadowy oil cartel, which throughout its history has sought to eliminate competitors and control the world's oil resource. Sampson's "Seven Sisters" name came from independent Italian oil man Enrico Mattei.

In the 1960's Mattei began negotiating with Algeria, Libya and other nationalistic OPEC states who wanted to sell their oil internationally without having to deal with the Seven Sisters. Algeria had a long history of defying Big Oil and was once ruled by President Houari Boumedienne, one of the great Arab socialist leaders of all time, who initiated the original ideas for a more just "New International Economic Order" in fiery speeches at the UN, where he encouraged producer cartels modeled on OPEC as a means to Third World emancipation.

In 1962 Mattei died in a mysterious plane crash. Former French intelligence agent Thyraud de Vosjoli says French intelligence was involved. William McHale of Time magazine, who covered Mattei's attempt to break the Big Oil cartel, also died under strange circumstances.

A tidal wave of mergers at the turn of the millennium transformed Sampson's Seven Sisters – Royal Dutch/Shell, British Petroleum, Exxon, Mobil, Chevron, Texaco and Gulf – into a more tightly controlled cartel which, in my book Big Oil & Their Bankers..., I term the Four Horsemen: Exxon Mobil, Chevron Texaco, BP Amoco and Royal Dutch/Shell.

By the late 1800's John D. Rockefeller had become popularly known as "the Illumination Merchant" during a time when oil was powering the reading lamps of every American household. Rockefeller figured out that it was the refining of oil into various end products and not actual crude production which held the key to control of the industry.

By 1895 his Standard Oil Company owned 95% of all refineries in the US while expanding operations overseas. Summing up his attitude towards his new oil monopoly, Rockefeller once stated, "The day of combination is here to stay. Individualism is gone never to return".

Rockefeller's Standard Oil Trust began illuminating the New World with funding from Kuhn Loeb and Rothschild banking families. While the Rockefellers worked the American side of the energy matrix, the Rothschilds consolidated their control over Old World oil resources.

By 1892 Shell Oil, under the direction of Marcus Samuel, began shipping South Sea crude through the new Suez Canal to supply Europe's factories. Shell took its name from the abundance of seashells which lined the shores of the Dutch-controlled archipelago that is

now Indonesia. The Samuel family controls London's biggest merchant bank Hill Samuel, along with the trading house Samuel Montagu.

In 1903 the Swedish Nobel and the French Rothschild's Far East Trading – financed by King Wilhelm III – combined with Samuel and Oppenheimer's Shell Oil to form the Asiatic Petroleum Company.

In 1927 Royal Dutch Petroleum discovered oil at Seria off the coast of Brunei, whose Sultan would become the world's richest man as a result of his loyalty to Royal Dutch. The Dutch and British monarchs who control Royal Dutch merged their company with the Oppenheimer and Samuel's Shell Oil and Nobel and Rothschild's Far East Trading and Royal Dutch/Shell was born. Queen Beatrix of the Dutch House of Orange and Lord Victor Rothschild are its two largest shareholders.

In 1872 Baron Julius du Reuter was granted his 50-year concession in Iran. In 1914 the British government took control of his Anglo-Persian Company and renamed it Anglo-Iranian, then British Petroleum, then BP. Britain's House of Windsor controls a large stake in BP Amoco while the Kuwaiti monarchy owns 9.5%.

In 1906 the US government ordered the dissolution of Rockefeller's Standard Oil Trust, charging that Standard violated the new Sherman Anti-Trust Act. On May 15, 1911 the US Supreme Court declared, "Seven men and a corporate machine have conspired against their fellow citizens. For the safety of the Republic we now decree that this dangerous conspiracy must be ended by November 15th".

But the breakup of Standard Oil along state lines only served to increase the wealth of the Rockefeller family, who retained 25% interest in each new company. Soon the new companies began to reintegrate.

The new Standard Oil of New York merged with Vacuum Oil to form Socony-Vacuum, which became Mobil in 1966. Standard Oil of Indiana joined with Standard Oil of Nebraska and Standard Oil of Kansas and in 1985 became Amoco. In 1972 Standard Oil of New Jersey became Exxon. In 1984 Standard Oil of California joined with Standard Oil Kentucky to become Chevron. Standard Oil of Ohio (Sohio) retained the Standard brand until it was bought by BP, which also bought trust-baby Atlantic Richfield (ARCO). Thus the Rockefellers came to own a large chunk of BP.

By 1920 Exxon, BP and Royal Dutch/Shell dominated the world's booming oil business, with the Rockefeller, Rothschild, Samuel, Nobel and Oppenheimer families, along with British and Dutch royals owning the brunt of their stock. Two other Rockefeller babies, Mobil and Chevron, weren't far behind the Big Three. The Texas Murchison family – themselves patronized by the Rockefellers – controlled Texaco, while the Mellon family – with its own ties to the Rockefeller fortune – controlled Seventh Sister Gulf Oil.

The first known attempt by the Seven Sisters to stifle competition came in 1928 when Sir John Cadman of British Petroleum, Sir Henry Deterding of Royal Dutch/Shell, Walter Teagle of Exxon and William Mellon of Gulf met at Cadman's castle near Achnacarry, Scotland. Here an agreement was reached that would divide up the world's oil reserves and markets.

The Achnacarry Agreement became known to oil industry insiders as the As Is Agreement because its aim was to maintain a status quo under which the Seven Sisters controlled the

world's oil through market share agreements, sharing of refining and storage facilities, and by agreeing to limit production to keep prices high.

Big Oil signed three more agreements in the next six years. The 1930 Memorandum of Understanding for European Markets was followed by the 1932 Heads of Agreement for Distribution and the 1934 Draft Memorandum of Principles.

Between 1931 and 1933 the Four Horsemen ruthlessly cut the price for East Texas crude from $.98/barrel to $.10/barrel. Many Texas wildcatters were run out of business. Those that remained were forced to agree to strict production quotas under threat of ruin by the majors – quotas that still exist to this day. It is these quotas, not "the environmentalists" (as the reactionary right claims) that serve to keep the US dependent on Persian Gulf oil, where Big Oil dominates the game.

By taking the oil industry international – which requires billions in capital – the Four Horsemen keep independent challenges to their hegemony at bay. They also put thousands of US oil workers out of jobs in Texas and Louisiana.

John D. Rockefeller himself did not control crude reserves. Instead he invested heavily in refining and cut deals with the Morgan-controlled railroads to cut his shipping costs. Texas wildcatters had to pay much more to ship their oil. They possessed neither the esoteric knowledge of refining crude, nor the capital to build expensive refineries. All their money was tied up in drilling rigs, which were not cheap either.

Today the Rockefeller family fortune is even more heavily invested in downstream oil operations such as petrochemicals and plastics, as well as in industries that are dependent on oil such as banking, aerospace and automobiles.

In the 1980's long-time Chase Manhattan chairman David Rockefeller invested $35 billion in Singapore, which has since become an important refining and storage center. Royal Dutch/Shell's largest single refinery is at Pulau Bukom, Singapore. In 1991, as the Asian Tigers began to roar, Exxon Mobil introduced unleaded gas to Thailand, Malaysia, Hong Kong and Singapore. It produces it at its giant Jurong refinery in Singapore.

The Four Horsemen have followed the money downstream. They are the world's largest refiners and marketers of crude oil in all of its various end-product forms. RoyalDutch/Shell is both the leading marketer and refiner of crude oil and is currently the source of one in ten barrels of refined product in the world. Its bottom line has benefited greatly from this downstream move with the firm showing record profits starting in 1988 and many years since. Seventy-seven percent of Shell profits now come from petrochemicals.

Shell also owns the world's largest refinery complex on the Netherlands Antilles island of Aruba, just off the Venezuelan coast. In 1991 Shell sold an outdated refinery on the neighboring island of Curacao while upgrading its Aruba facilities. The completion of this massive complex caused Venezuelan crude to become much more important to global oil supply. Crude from African nations like Nigeria and Angola is also refined at the Shell Aruba facility, which sits next to a hulking Exxon Mobil refinery named Lago, after Venezuela's Lake Maracaibo, from where most Venezuelan crude is derived.

Royal Dutch/Shell is currently focused on development of natural gas markets, investing heavily in Middle Distillate Synthesis (MDS) plants that convert liquefied natural gas to high-

grade liquid products. By 1996 they had built MDS facilities in Malaysia, Nigeria and Norway. In 1993 Shell joined with Mitsubishi and Exxon Mobil in a $3 billion natural gas project in Venezuela and launched a $1.1 billion petrochemical expansion in Brazil. That same year BP Amoco discovered huge oilfields in neighboring Columbia.

By 1969 Exxon owned 67 oil refineries in 37 countries. Over 60% of Exxon's 1991 profits came from downstream operations. In the first quarter of that year alone, Exxon made a $2.4 billion profit, the highest quarterly profit since Rockefeller founded Standard Oil of New Jersey in 1882. It was no coincidence that the Gulf War was being prosecuted during this time, with Exxon meeting much of the demand generated by the US military and its allies.

In the early 1990's Exxon bought the plastics division of Allied Signal and entered joint ventures with both Dow and Monsanto in the thermoplastic elastomer realm. According to Exxon Mobil's 2001 10K filing to the SEC, the company netted $17 billion in year 2000. From 2003-2006, during the US occupation of Iraq, the company regularly broke its own record for biggest quarterly profit by any corporation in US history.

Recently the Four Horsemen have been swimming back upstream, becoming the top four retailers of gas in the US. They own every major pipeline in the world and the vast majority of oil tankers. Royal Dutch/Shell has 114 ships in its armada. Recently the company added seven giant liquefied natural gas tankers. Shell has 133,000 employees worldwide and in 1991, boasted assets of $105 billion. Shell's Bullwinkle oil platform in the Gulf of Mexico is taller than the world's highest building.

Exxon Mobil leads the way in producing lubricant base stocks and its scientists invented butyl rubber. It has operations in 200 countries and is the only firm that operates in the harsh Beaufort Sea, where it built 19 islands of steel to drill from. Exxon owns most of the land in Yemen (5.6 million acres), Oman and Chad. Its 1991 assets totaled $87 billion.

The latest wave of mergers in the oil industry began in the early 1960's. Eight of the top twenty-five oil companies in 1960 had merged by 1970. Exxon bought Monterey Oil and Honolulu Oil. Chevron scooped up Standard Oil of Kentucky. Atlantic Oil merged with Richfield Refining to form ARCO, which then gobbled up Sinclair. Marathon Oil bought Plymouth Refining.

Another merger wave ensued in the 1980's. Chevron bought Gulf in 1984. Texaco purchased Getty Oil. Mobil bought Superior Oil. BP grabbed both Britoil and Sohio (Standard Oil of Ohio). ARCO bought City Services. US Steel purchased Marathon Oil. The 1984 discovery of North Sea oil consolidated the position of Big Oil – especially Royal Dutch/Shell and Exxon – whose Shell Expro joint venture was awarded the prime concessions.

In 1985 Shell bought Occidental Petroleum's Columbian interests. In 1988 it took over Tenneco's assets in that country. The 1990's saw Amoco (Standard Oil of IN) hitching its wagons to BP to form BP Amoco. In 1999 BP Amoco bought ARCO, giving the company 72% ownership of the Alaskan Pipeline.

Exxon bought Texaco Canada and Mexico's Compania General de Lubricantes in 1991. Conoco was purchased by DuPont. In March 1997, Texaco and RD/Shell merged their US refining operations.

The final and most dramatic wave of consolidation saw Exxon merge with Mobil in

November 1999. That same year Chevron bought Thailand's Rutherford-Moran Oil and Argentina's Petrolera Argentina San Jorge. In July 2000 Chevron merged its petrochemical business with that of Phillips to form Chevron Phillips Chemical Company. That same year Chevron tied the knot with Texaco.

On August 30, 2002 Conoco's merger with Phillips Petroleum was approved creating Conoco Phillips, which in 2005 bought coal titan Burlington Resources. In 2002 Royal Dutch/Shell bought up previously merged Pennzoil/Quaker State as well as Britain's biggest remaining independent oil company – Enterprise Oil. In 2005 Chevron Texaco bought Unocal. And Four Horsemen rode on.

The Four Horsemen have interlocking directorates with the international mega-banks. Exxon Mobil shares board members with JP Morgan Chase, Citigroup, Deutsche Bank, Royal Bank of Canada and Prudential. Chevron Texaco has interlocks with Bank of America and JP Morgan Chase. BP Amoco shares directors with JP Morgan Chase. RD/Shell has ties with Citigroup, JP Morgan Chase, N. M. Rothschild & Sons and Bank of England.

Former Citibank chairman Walter Shipley sat on Exxon Mobil's board, as did Wayne Calloway of Citigroup and Allen Murray of JP Morgan Chase. Willard Butcher of Chase sat on the board of Chevron Texaco. Former Fed chairman Alan Greenspan came from Morgan Guaranty Trust and served on the board of Mobil. BP Amoco director Lewis Preston went on to become president of the World Bank.

Other BP Amoco directors have included Sir Eric Drake, the #2 man at the world's largest port operator P&O Nedlloyd and a director at Hudson Bay Company and Kleinwort Benson. William Johnston Keswick, whose family controls Hong Kong powerhouse Jardine Matheson, also sat on the board of BP Amoco. Keswick's son is a director at HSBC. The Hong Kong connection is even stronger at RD/Shell.

Lord Armstrong of Ilminster sat on the boards of RD/Shell, N. M. Rothschild & Sons, Rio Tinto and Inchcape. Cathay Pacific Airlines owner and HSBC insider Sir John Swire was a director at Shell, as was Sir Peter Orr, who joins Armstrong on Inchape's board. Shell director Sir Peter Baxendell joins Armstrong on the board of Rio Tinto, while Shell's Sir Robert Clark sits on the board of the Bank of England.

As a result of the deregulation craze in the US companies no longer have to report their top shareholders to the SEC. According to 1993 10K reports filed by the Four Horsemen, the Rothschild, Rockefeller and Warburg banking combines still control Big Oil. The Rockefellers exert control through New York mega-banks and Banker's Trust, which in 1999 was purchased by Warburg-controlled Deutsche Bank in its bid to become the largest bank in the world.

As of 1993 Banker's Trust was #1 shareholder in Exxon. Chemical Bank was #4 and J.P. Morgan was #5. Both are now part of JP Morgan Chase. Banker's Trust was also leading shareholder at Mobil. BP listed Morgan Guaranty as its biggest owner in 1993, while Amoco listed Banker's Trust as its #2 shareholder. Chevron listed Banker's Trust as its #5 shareholder, while Texaco listed J.P. Morgan as its #4 owner and Banker's Trust as #9.

Thus, Deutsche Bank and JP Morgan Chase – the banks of Warburg and Rockefeller – have increased shares in Exxon Mobil, BP Amoco and Chevron Texaco. Rothschild-controlled Bank of America and Wells Fargo exert West Coast control over Big Oil, while Mellon Bank also

remains a big player. Wells Fargo and Mellon Bank were both top 10 shareholders of Exxon Mobil, Chevron Texaco and BP Amoco as of 1993.

Information on RD/Shell is harder to obtain since they are registered in the UK and Holland and are not required to file 10K reports. It is 60% owned by Royal Dutch Petroleum of Holland and 40% owned by Shell Trading & Transport of the UK. The company has only 14,000 stockholders and few directors. The consensus from researchers is that Royal Dutch/Shell is still controlled by the Rothschild, Oppenheimer, Nobel and Samuel families along with the British House of Windsor and the Dutch House of Orange.

Queen Beatrix of the Dutch House of Orange and Lord Victor Rothschild are the two largest shareholders of RD/Shell. Queen Beatix' mother Juliana was once the richest woman in the world and a patroness of the right-wing occult movement. Prince Bernhard, who married Juliana in 1937, was a member of the Hitler Youth Movement, the Nazi SS and an employee of Nazi combine I. G. Farben. He sits on the boards of over 300 European companies and founded the Bilderbergers.

When you're being robbed, it's always a good idea to be able to identify the perp. Now if only we could get the cops to bring em' in...

Dean Henderson *is the author of Big Oil & Their Bankers in the Persian Gulf: Four Horsemen, Eight Families & Their Global Intelligence, Narcotics & Terror Network and The Grateful Unrich: Revolution in 50 Countries. His Left Hook blog is at www.deanhenderson.wordpress.com*

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