Alexis Fitzgerald

Sir Basil Goulding

George (Ted) Russell

Patrick McGrath

Some of the finest men money can buy - the 'local lubricants' of oil imperialism in Ireland.

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THE GREAT IRISH OIL & GAS ROBBERY

A CASE STUDY OF MONOPOLY CAPITAL

REPSOL

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INTRODUCTION TO THE FIRST EDITION

This work describes in detail how the Irish gombeen class is collaborating in the sell-out of human and mineral resources. It analyses the robbery of Irish off-shore wealth by an alliance of international financiers, oil cartels and local big business — the faithful servants of monopoly capital known to their masters as 'local lubricants'.

The sell-out by the gombeen class is not confined to oil and gas. It permeates Irish industry, commerce and agriculture. It began in 1922. It was boosted by the Whitaker plan of 1958, the Anglo-Irish Free Trade Agreement of 1965 and by the seduction of Ireland by the Common Marketeers in 1972.

Their part in the robbery of Irish oil and gas is but the latest and most blatant example of the ruthless attitude of the gombeen class to their own people. These lick-spittles are always the first to shout "Up the Republic!" at the opportune time; this booklet shows how they keep the people of the 'Republic' down all the time.

This work furthermore shows that imperialism is now the dominant force in Ireland. It thus exposes the crude deformities in the analysis of the 'two nations' opportunists. More importantly, it exposes the arid thinking of the romantic nationalists by showing clearly that the major source of exploitation in Ireland today is American not British imperialism.

This booklet shows that state power exercised by the Irish working class is the only effective power to the inefficiency, profiteering and collaboration which has left Ireland one of the most underdeveloped countries in Europe.

I commend a close and detailed study of this work to all those who seek an end to imperialist rule in Ireland. It marks a significant advance in developing the means to ending that rule.

September 1974.

Tomas Mac Giolla,
President, Sinn Fein,

INTRODUCTION TO THIS EDITION

This book, the first of its kind, was published in September 1974. Despite the rapid movement of events in the exploitation of Irish oil and gas, nothing has occurred to change the fundamental analysis set out at that time. Indeed arrangements made by the Minister for Industry and Commerce subsequent to its initial publication have only clarified and strengthened the predictions made by Sinn Fein The Workers' Party at that time. To bring the story up to date, however, the following points should be noted:

1. The position of Standard Oil, New Jersey, working through its subsidiaries, Marathon and Esso, and assisted by its Irish front, Petroleum Royalties of Ireland Ltd., remains unchallenged. The terms for oil exploration leases granted by Justin Keating in May 1975 in no way disturbed Marathon's control over the most valuable blocks of the Celtic Sea. But Esso, having belatedly acknowledged the existence of significant oil finds south of the Kinsale gas strike have declared them uncommercial and nothing further has been heard of the gas strike off Ardmore. This year (1977) has seen drilling in the Porcupine Bight off the West coast for the first time and will also see drilling off Dublin in the Kish Basin. Well informed sources are certain that Shell have found oil in the Porcupine; the company is keeping totally silent on its drill results. But, perhaps the most significant development since 1974 is the fact that all the major world oil companies now hold licences in Irish waters.

2. The sell-out to monopoly capital was so blatant that it was necessary for Justin Keating to develop the stratagem of "State Participation" as predicted by Sinn Fein The Workers' Party. As a sop to the conscience of the Labour Party, some of the blocks set aside were given to consortia involving the French State Oil Company, E.L.F., the Italian State Oil Company, A;G.I.P. and the German State Oil Company, Deminex. Had this participation taken place on a joint basis

with Irish State companies such as the ESB and NET, the move could only have been welcomed as a progressive step by the Irish working class and trade union movement. But within the various consortia to whom licences were granted the Irish State Sector was excluded while the link with Irish capitalism was strengthened.

3. The involvement of the Irish National Gas Company in a consortium dominated by E.L.F. is a good example of how the link with Irish capitalism was strengthened. Its strength can be seen in the renewed campaign by the private gas companies for the allocation of natural gas to them. One of the few encouraging features of the Irish Oil and Gas story was the decision to allocate the bulk of Kinsale gas to the ESB and NET. It is unlikely that Fianna Fail will change this decision but any attempt to allocate future finds to private companies, already in receipt of 37% of their production costs from the State, must be resisted.

These three tendencies, the consolidation of the Rockefellers, the arrival of the six other 'sisters' and the extension of the power of the Irish gombeens constitute the total picture of exploitation and reveal the strategic thrust of monopoly capital in combination with its local allies.

Powerful as this combination might appear, the Irish working class can take heart from the powerful combinations that have emerged from within its own ranks and which are now organising with increasing strength to challenge the monster of monopoly.

Firstly, we can take courage from the increasing activity of the ICTU and its affiliated unions. Firmly committed to the public ownership of our national resources and their use as the base for industrial development in Ireland, the trade union movement has at conference and branch level raised its voice to demand that the State take over our oil, gas and mines. Every day this work goes from strength to strength.

Secondly, the work of the Resources Protection Campaign has indicated that there is a broad body of support for these policies.

Thirdly, within the State companies such as ESB, CIE and Bord na Mo a there is a growing awareness that the threats of redundancy and wastage of staff are part of a systematic campaign to eep these bodies out of exploration, the expanding and highly lucrative area of onshore servicing, and manufacturing dev lopment. The progressive role of Cork County Council and of Waterford Harbour Commissioners in demanding systematic planning of onshore servicing and industries, together with the support given to the aims of the RPC by the Public Service unions indicates that State workers are also aware of the important issues at stake.

These are the forces deployed on both sides. The road to victory for the Irish working class is patient, tireless education, agitation and organisation. Victory means a giant step towards full employmen and the creation of a progressive, Industrial society in our land.

Tomas Mac Giolla,
President,
Sinn Fein The Workers' Party

November 1977

PREFACE

This booklet is a detailed study of the political economy of Ireland's oil and gas resources.

It is an indictment of the Irish Government's failure to take this massive wealth, which belongs to all the Irish people, under full State control.

It is a record of how the giant Rockefeller Corporation and other huge oil cartels, with the support of Fianna Fail and Fine Gael, set up Irish front companies to confuse the Irish people and to assist in the robbery of Ireland's natural wealth.

It presents an outline plan for the full industrial development of Irish oil and gas in the interests of the Irish working class and the nation as a whole.

The major findings of this study show in summary:

1. That Ireland's offshore oil and gas resources, under State control, could double the Gross National Product by 1990.
2. That the ESB and Nitrigin Eireann, are being prevented from developing Irish oil and gas.
3. That instead of a State Hydrocarbons Plan, Fianna Fail and Fine Gael intend to allow a small group of Irish businessmen to carry out the policy of their foreign masters. This is to extract Irish hydrocarbons, sell part back to us and export the rest in the most wasteful and unproductive manner.
4. That the top "Irish" oil companies take in three Senators, control two of the most important newspaper groups in the country, have interest in a third and include the major banks and most of Ireland's 25 largest companies.
5. That the industrial potential, which could give a better life to the vast majority of the Irish people and especially the 100,000 "transitional" Irish small farmers will be ignored, because it conflicts with the business interest of foreign subsidiaries and their Irish directors.

6. That by the end of this century, Ireland's massive oil and gas reserves will have almost disappeared to feed the voracious appetite of Anglo American monopoly capital and especially the American oil barons, who in the United States in 1971 received 47% of all remitted profits from United States investment abroad.

7. That a State Hydrocarbons Plan on the other hand would give 750,000 Irish workers and 100,000 small farmers, not just secure jobs, but create a powerful, industrial base which could feed and clothe future generations, long after the oil monopolies would have drained the last drop of oil and burned off the last cubic foot of gas.

8. That Ireland's estimated natural gas reserves off the South and East coast are currently larger than the three protagonists in the recent Middle East conflict.

9. That Ireland has larger gas reserves than the combined reserves of Tunisia, Jordan, Lebanon, South Yemen, Turkey, Dubai, Morocco, Bahrain, Sharyah, Oman and Quater.

10. That Irish offshore waters contains 1.2% of the entire world's known reserves of Natural Gas at a minimum estimate. By some estimates as much as 3.8% of the known world reserve of this priceless mineral resource.

11. That Irish Oil Reserves off the South and East coasts are approximately equivalent in magnitude to our gas reserves in these areas.

12. That on the basis of seismic evidence, potential Oil Reserves exist off the West coast within Irish designated waters and excluding the disputed Rockall Trough area, which at the least equal in magnitude the North Sea Bed.

As it incorporates Sinn Fein's policy on Natural Resources this booklet is worthy of the closest study.

Eamonn Smullen,
Director of Economic Affairs,
Sinn Fein,
September 1974.

1. THE ROCKEFELLERS VISIT IRELAND

The first individual to treat petroleum as a commercial product was Samuel Kier of Pittsburg, USA in 1847. He called his product Seneca Oil because it was the Seneca Indians who introduced it to the white man. Today's oil industry, worth countless billions is built on the discovery of an Indian tribe. The Seneca Indians got none of this wealth and have almost disappeared from the face of the earth.

Fifty years later, the first oil companies arrived in Ireland. The relationship between Ireland and these oil cartels has been no different to that between the Seneca Indians and Samuel Kier.

The first great oil strike was in Pennsylvania in 1859. One of the earliest visitors from nearby Cleveland was the founder of the Rockefeller dynasty.* On his return the young Rockefeller advised his partners not to bother with the production of oil but to concentrate on its transport. This shrewd insight ultimately gave him control of the whole industry. Precisely because his pipe-lines were indispensable to the industry, those who produced the oil were forced to sell out to him.

This strategy is still the basis of the big oil companies' monopoly. They control the industry, firstly by their ownership of pipes and tankers, and secondly by their control of the technology necessary to prospect for oil and gas in difficult places like Alaska or the floor of the European Continental Shelf. Central to their strategy is keeping any new oil producer dependent on their transport and technology. Ireland is the latest producer to come into their netword. From 1899 to the present day Ireland has been exploited by the Rockefeller dynasty. Rockefeller's company, Standard Oil, New Jersey, arrived in Ireland in 1899. Today, Standard Oil, under the

*For further information on the Rockefeller dynasty and other American oil giants read Gus Hall, *The Energy Rip-Off* International Publishers, New York 1974.

name Esso, exploits in association with its sister company Marathon, the rich oil and gas finds off the coast of Kinsale together with the wealth of the Celtic Sea.

The exploitation of Ireland by the oil cartels since 1899 has two distinct phases. In the first phase (1899-1966), Ireland was exploited as a consumer of oil and gas. In the second phase, now beginning, Ireland is about to be exploited as a producer of oil and gas. The first phase of exploitation began in the period of colonialism. The second phase corresponds to the period of modern neo-colonialism. The entire history of this exploitation shows that at all times, the oil cartels worked alongside the native Irish gombeen class, which actively went into partnership with the cartels to exploit their own people.

One of the most effective weapons used by the oil companies throughout this period was supplied to them by the native business class. This was the pretence that the cartels' subsidiaries in Ireland were "Irish" companies.

In the past two years this confidence trick has been developed to the highest level of sophistication by the formation of so-called "Irish" oil companies, managed by representatives of Fianna Fail and Fine Gael in the interest of the international oil monopolies. It is worth glancing briefly at the early history of these oil monopolies in order to discover the roots of the strategy still in use today.

The Coming of the Cartels

The selling of oil products to Ireland has been dominated by three giant cartels. The first group is Standard Oil New Jersey, part of the great Rockefeller empire and operates in Ireland under the trade name Esso. Petroleum Co. (Ireland) Ltd. The second group is Royal Dutch Shell, of which British Petroleum is the most important company. This group operates in Ireland under the trade name Irish Shell Ltd. The third and less significant group is the California Texas Oil Company New York. This group operates in Ireland under the trade name Texaco (Ireland) Ltd. It is the joint marketing company of two of the seven major oil companies, Standard Oil of California and Texaco.

These three cartels, in theory compete with one another on the world market. But in exploiting the Irish market, they act as a single monopoly. The basic control structure is a three way link. The American parent company, subcontracts a British subsidiary, which in turn sets up an Irish subsidiary.

Each of these companies, since the War of Independence, has adjusted its policies to fit in with whatever politics the ruling parties of the native gombeen class were currently trying to foist on the Irish people. It is worth examining briefly the history of these three cartels.

Esso

Standard Oil New Jersey first arrived in Ireland in 1899 with the first motor cars. At this time it operated under its true title – the Anglo-American Oil Co. Ltd. But in 1922, as the Free State forces made Ireland safe for the gombeen class, Standard Oil made a reluctant concession to "green flag" nationalism by changing its name to the 'Irish American Oil Co.'. By 1923, convinced that the ruthless Free State regime would survive Standard Oil became a public company. This allowed the notorious Irish business class to speculate in the exploitation of their own people by playing the market on the new Dublin Stock Exchange. Shortly afterwards in a burst of national piety, it changed its name to the Esso Petroleum Co. (Ireland) Ltd.

The share issue system used by Esso Petroleum laid down the basis of all the othe roil cartels operations in Ireland. The authorised capital is divided between Ordinary Shares (which carry voting rights and are not quoted on the Dublin Stock Exchange) and Preference Shares (which carry no voting rights and are quoted on the Dublin Stock Exchange).

All the Ordinary shares are held by Esso Patroleum Co. (London) Ltd., which in turn is a subsidiary of Standard Oil New Jersey.

The Preference shares which are useless for control purposes allow the Irish gombeen directors to foster the illusion that Irish shareholders are somehow involved. But they are only involved to the extent that they can play the Dublin Stock Market and make money out of the exorbitant profits which Standard Oil makes from the Irish economy.

The same "sugan earl" system is seen on the Board. The Irish Board of Esso has six directors. Three of these are Irish. Of the remaining three, two are also directors of the Esso Petroleum Co. (London) Ltd. But in order to confer a useless status on the Irish directors, Standard Oil New Jersey, doles out 250 Ordinary Shares to each Irish director for which he has to sign a blank transfer with the parent company. At any time therefore these Uncle Tom directors can have their miserable 250 shares called in by the Head Office in New Jersey.

Shell

This cartel arrived in Ireland in 1922 as the last echoes of the Free State executions were dying away. At first it was known as Shell Mex (Dublin) Ltd., and Irish-British Petroleum Co. Ltd. In 1931 in a fit of patriotism it showed its confidence in the Irish Free State by changing its name to Shell and B.P.(Irish Free State) Ltd. This was a miscalculation as Mr. De Valera came to power the following year. Shell and BP promptly had a fit of Fianna Fail patriotism and changed its name to Irish Shell Ltd., which is the name it uses today.

Imitating the Standard Oil strategy, Irish Shell divides its capital into Preference and Ordinary shares. The Preference shares are quoted on the Dublin Stock Exchange to allow Irish businessmen to speculate, but of course carry no voting rights. In contrast all the Ordinary shares are held by Shell Mex and British Petroleum Ltd. which are part of the Royal Dutch Shell Group.

Again, the so-called Irish Board is run on neo-colonial lines. Of the seven directors, four are Irish nationals. The three remaining directors are also directors of Shell Marketing Co. and British Petroleum Co. in London. And again, the British parent company issues a tiny quota of Ordinary shares to the Irish directors, which can be withdrawn at any time.

Two names are worth noting here. Lord Killanin and Tom

Doyle are two directors of Irish Shell. Representing 'old' money and 'new' money they serve as front men for the oil cartels while Ireland is exploited as a consumer of oil and gas. Later we shall see them emerge on a larger scale to play new roles in exploiting Ireland as a producer.

Texaco

More cautious than the others, this cartel delayed its arrival in Ireland until 1924. It was then known as the Galena Signal Oil Co. (Ireland) Ltd. Later, it became Texas Oil Co. of Ireland Ltd. In 1951 in a belated fit of patriotism, it became Caltex (Ireland) Ltd. Recently it became Texaco (Ireland) Ltd.

Although Caltex issued 50,000 Ordinary shares, it refused to go through the farce of pretending the Irish directors had any power and gave them no ordinary shares. *Every one of the 50,000 Ordinary shares are held by the London foster-parent, the Regent Oil Co. Ltd., London,* which in turn is controlled in equal proportions by two American cartels, the California Texas Oil Corporation, New York and Texaco Incorporated.

The Board of Texaco (Ireland) Ltd. consists of six directors. Three are Uncle Tom Irish citizens. The other three are American citizens and two of them are also directors of Regent Oil Co. London, Ltd.*

Whitegate: The Oil Cartels' Refinery

The most glaring evidence that these three cartels control the Irish market is provided by the so-callèd Irish Refining Co. which controls the Whitegate Refinery in Cork.

This refinery was set up in a hullaballoo of nationalist publicity in May 1959. The refinery now controls the entire Irish market in motor spirits and thus has established a monopoly which makes Ireland completely dependent on one refinery.

*Fair Trade Commission, *Report of Enquiry into the conditions which obtain in regard to the supply and distribution of Major Spirit and Motor Vehicle Lubricating Oil with special reference to exclusive dealing arrangements in the retailing of these products.* 1962

The Irish Refining Co. and its Whitegate complex was established jointly by Esso Petroleum Co. London Ltd. (Standard Oil) and Shell Mex and B.P. Ltd. (Royal Dutch Shell). These two each hold 40% of the share capital. The remaining 20% is held by the Texaco Corporation. There is therefore not even the pretence that the Irish subsidiaries have any say whatsoever in the refinery's policy.

The oil crisis of 1973–4 exposed the true function of the Whitegate refinery. Instead of making supplies available to ease Irish hardship Whitegate *actually increased* its exports to its' parent refinery at Milford Haven. Mr. John Kelly, Parliamentary Secretary to the Taoiseach, has outlined the true position. "The British and Irish markets were integrated...if the contracts which existed last year had not been filled, there would have been immediate repercussions in Britain and the supply of oil to our own market would have been curtailed."

During the Energy Crisis this so-called Irish Refinery continued to charge the ESB $11.50 per barrel of oil while "selling" oil to its' parent company at Milford Haven at $8.50 a barrel. The ESB were forced to depend completely on Russian oil supplies to ease the hardship on the Irish people. The Russians made their oil available at competitive prices while Whitegate continued to exploit Irish consumers and used their oil to "top up" British supplies at Milford Haven.

Not only does Whitegate merely act as a storage depot for British oil – it actively inhibits the development of an Irish Petrochemicals industry. For 15 years it has occupied a strategic site of 1,300 acres near Roches Point at the mouth of Cork Harbour. Although this land is eminently suitable as a site for a Petrochemical plant, Whitegate has made no move in 15 years to establish such an industry. Many planning officials in Cork believe that Whitegate was sited at Roches Point to obstruct the development of such an industry in Cork Harbour by any competitors at a future date. Instead of establishing a petrochemicals industry, the three oil cartels actually farm 1,000 acres of the land they are not using.

But the Whitegate scandal is only the most dramatic example

of the cartels' callous and ruthless treatment of the Irish consumer. The activities of Esso, Shell and Texaco are distinguished in Ireland by two other tendencies, tax-dodging, and a monopolist war against small retailers and the general public.

Tax Dodging

Shell B.P.'s assets in Ireland stand at over £9m. During the oil crisis they made an estimated £5m profit by exporting badly needed oil. Yet not one penny tax has ever been paid by either Shell, Esso or Texaco to the Irish Revenue Commissioners. This tax evasion is carried out by means of an elaborate confidence trick, whereby their books never show profits exceeding £15,000. This is done by the "Irish" company "buying" oil at artificial prices from the parent company, so that the Irish firm's books can be cooked. In Dail Eireann, Mr. Justin Keating admitted that this confidence trick was known to the Government. "Mr. Keating said that the vast amount of profits made by the oil companies did not relate to their Irish operation...in fact one of the largest companies showed a loss in relation to its Irish activities. However he did not think that the internal accounts of the oil companies were meaningful, because they could take their profits wherever they liked."

Monopoly War

For the past five years the small Irish petrol retailers, some 1,500 in all, have been fighting a rearguard action against Shell B.P. and Esso who have been trying to put them out of business in order to set up a centralised "supermarket" system, based on a small number of big garages. As a result of this war 505 big garages now sell 50% of all petrol sold in Ireland. Over 1,500 small retailers struggle for the remainder. This monopoly policy means that hundreds of filling stations in remote or rural areas, which give an important service to the local economy are being wiped out, much as the small shopkeepers were destroyed in the 1960s. This monopoly war is carried out by using Green Shield Stamps as a weapon. If there are three small retailers in a townland the cartels will only supply one of them with stamps using his outlet to wipe out the other two. Using trade union tactics the Irish Petrol Retailers' Association under its chairman, Mr. Tom Barry of Glanmire, Cork, fought back against the Green Shield racket – a company which itself dodges taxes in this country.*

Summary

The history of these three companies in Ireland shows how inadequate the concept of "British Imperialism" is in describing the political economy of modern Ireland. In truth, British money is totally subservient to American capital. British capital is a sub-contractor and its operations in Ireland are analogous to the 'lump' system in the building industry.

Until the 1960's Ireland was exploited as a *consumer* because apparently she had no oil or gas products of her own. Now however, this simple model of exploitation had to be replaced by a more complex one. How was Ireland to be exploited as a *producer?*

Faced with this question the two largest cartels found that only minor adjustments would have to be made in their basic strategy. This was to use a local gombeen class that was willing to collaborate in exploiting their fellow citizens under the guise of patriotism. Their price was a miserable share in the profits.

* See statement from Irish Petrol Retailers' Association in *Irish Times* July 3, 1974

2. THE ROCKEFELLERS' SECOND TRIP

In 1958, geologists made a discovery off the Northern coast of Holland, which ushered in a revolutionary epoch in the industrial history of Ireland. The finding of the Groningen gasfields, the largest gas reserves outside the Soviet Union, was the first proof that the European Continental Shelf was a petroliferous province, equal in scale and size to the Persian Gulf, the Siberian oilfields or the North American Arctic areas.

At first the oil cartels treated the discovery with caution. They had a tight grip on the poor and developing Arab oil states and a monopoly on the Western world's oil markets. But slowly, as the Groningen field was evaluated, the biggest oil companies began to realise the fabulous wealth beneath the Continental Shelf warranted stronger claim. The biggest cartels began to make surveys of the North Sea Bed in the late fifties. The movement of their ships, the drilling and the carefully phrased newspaper leaks were designed to give the oil cartels a moral title which they hoped to convert to a legal title.

In 1964, the British Government enacted the Continental Shelf Act. This gave the Crown all rights in the waters of the United Kingdom outside the three-mile limit. Later that year at the United Nations, Britain and 21 other countries signed the Continental Shelf Convention, which partitioned the North Sea bed among signatories of the Convention.

These moves were not serious attempts by the British Crown to usurp the profits of the oil cartels, but were designed to cover off public opposition to any later sell-out. The weakness of the British Government's position was shown by the system of exploration and production licences, which developed from the 1964 Act. For only £1,000 an oil company was allowed to explore for up to three years. But far more valuable was an exclusive production licence which ran for six years and cost only £6,250.

At 2p.m. on June 22nd 1971 sealed envelopes containing bids for permission to drill in 15 new square mile blocks of the North Sea were opened at the Department of Trade and Industry. The prices offered shocked even the oil industry. Shell alone bid £21m for permission to drill in one block.

But when the vast sums of money that exploded around the North Sea scramble had settled, it was found that the true owners were the merchant and commercial banks of England, Scotland and America. British Petroleum raised £360m. It was the largest wholly private bank loan ever arranged anywhere in the world. The money came from over 63 banks. This process revealed one of the remorseless laws of monopoly capital. First commerce, then industry puts itself in debt to finance capital. The North Sea oil and gas wealth is now owned not by the oil companies, but by the world banking system – by monopoly capital. The same laws of monopoly capital were now to be applied to Ireland.

The North Sea riches are now firmly in the hands of the giant oil cartels. Apart from a subservient shareholding of 49% in British Petroleum, the British Government has no real control over their activities. These riches, which should have benefited Scotland in particular have resulted from Nig Bay to Peterhead in nothing but unskilled labour, service jobs and the destruction of traditional Scottish villages and their culture. The Scottish working class is forced to stand by and watch the profits siphoned off to international banks, protected by the British Government.

The Cartels Arrive

This initial weak response by the British Government was followed even more slavishly by the Irish Government. Indeed, there was no other choice, short of a Socialist economy. By 1958, when the oil cartels began their first probes towards Irish waters the Irish ruling class had just begun their final surrender to international monopoly capital. This surrender was spelled out clearly in the Whitaker plan of 1958.

The Whitaker Plan, in effect admitted that Irish resources and labour could no longer be exploited efficiently by the Irish business class. By 1930 they had not lived up to Griffith's

ambitions for a healthy Irish capitalism. Throughout the 1930s Mr. De Valera's Protection Policy had failed to end the stagnation of a class which preferred to accumulate capital and invest it abroad rather than fight a losing battle with British capital.

The widespread decay after World War Two was followed by economic collapse and massive emigration which ended in the huge Balance of Payments crisis of 1956. For the first time in Irish history the native gombeens gave up their illusions of putting an indigenous independent Irish capitalism on its feet.

Stripped of its jargon, the Whitaker Plan made a very simple offer to American and British monopoly capital. *Irish resources and Irish labour were offered for exploitation on a joint partnership basis between American and Irish capital.* The Irish ruling class gave up the ownership of Irish industry in return for its management. The new managerial class was prepared to settle for a slice in any profits, which would be gained from the exploitation of Irish natural and human wealth.

The Gombeens Prepare

The first step was to repeal De Valera's Control of Manufacturer's Acts, which had attempted unsuccessfully to ensure Irish control over foreign subsidiaries.

The next step was the "bribe" policy, by which international monopolies were given tax-free capital grants, almost total exemption from corporate income tax and coercive and callous social welfare policies designed to provide a hungry and docile trade union movement supplying cheap labour. Only this last promise could not be kept, because of the dour resistance of the trade union movement and the courageous sacrifice of ordinary workers, who badly dented this plan by such epic strikes as that which took place at E.I. in Shannon. To break this resistance such organisations as the Irish Management Institute, the Economic and Social Research Institute and the Catholic Church, through bodies like the College of Industrial Relations were enlisted to create an ideology of "participation" and industrial "democracy", which is now once more being resisted by the trade union movement.

From Madonna to Marathon: 1958-1970

It was inevitable that the Irish ruling class, having sold Irish labour would not hesitate to sell Irish natural resources. No questions were asked therefore of the three fast-talking individuals who in 1958 set up an oil company which in hypocritical deference to the Marian year cult they called the Madonna Oil Ltd. The modesty of the operation was underlined when the new company issued a nominal shares capital of £100.

To these three individuals, to Madonna Oil and their partner Ambassador Oil the Irish Government handed over *all exploration and production rights* to Ireland's oil and gas resources. These fabulous riches, which belonged to all the people of Ireland were given to these three individuals for the princely sum of £500. What they got for their money is set forth in the words of the official document:

"An area, comprising the whole of Ireland, including the seabed and subsoil, which lie beneath the territorial waters and the high seas under the control and jurisdiction of the Government of Ireland at this time or in the future, but not including the Six Counties."

The saga of this licence, first given in 1958 ended in 1961. It ended up in the hands of an Ohio Oil company, controlled by the Rockefeller family. The name of the Rockefeller company was Marathon Oil Ltd.

The Rockefellers finally bought the total ownership of Ireland's oil and gas for £230,000.

It was a deal that the first Rockefeller who took over the Pennsylvania oilfields might have envied. What Marathon Oil got for its money was nothing less than the ownership of everything valuable that might lie under the seabed off the Irish coast.

Marathon began almost immediately to make a cautious probe for hydrocarbon on Irish land. In 1966 they made a small gas find at Dowra, Co. Cavan. But they were satisfied with the positive results of their hydrocarbon testing. This meant that they were virtually certain of equally good results beneath the Irish seas. Encouraged by the widening wash of the

Groningen gas reserves and the later North Sea explorations, Marathon turned its attention to sedimentary basins off the Irish coast. The coming and going of its vessels off the coast of Kinsale became a discreet and reassuring backdrop to what the ruling class were doing with Irish minerals.

But as time passed, some of the more wideawake members of the managerial bourgeoisie began to realise that the lease they had sold for £500 might just be worth a little more. As far back as 1966 a young journalist in *Business & Finance* wrote a prophetic editorial to mark the hundredth edition of a magazine that had played no small part in the managerial revolution. The young journalist speculated that on the basis of its gas reserves in the North Sea, Britain by the 1980s would no longer be the "sick man of Europe". The name of the young journalist was Nicholas Leonard. Today, having lost none of his earlier vision, he is one of Irish capitalism's success stories. More significantly he is a prominent member of the new Irish oil bourgeoisie, who have sold themselves as frontmen to the oil cartels.

The Rise of the Oil Gombeens: 1970-1974

By 1970, the political importance of Ireland's hydrocarbon wealth was evident. In 1969 as a minor concession the Irish Government renegotiated the 1958 lease with Marathon, reducing it to one third of its previous area. Marathon was not distressed. By now it had a solid notion of which areas were most valuable. And it was allowed to pick which areas it would keep. Nevertheless the concession was a prelude to the emergence of oil and gas as a major political issue. A new strategy of exploitation was being forced on the Irish ruling class under the pressure of two determining factors.

Firstly, there was now unchallenged evidence that the European Continental Shelf was an oil province of major world importance. More important from Ireland's point of view there were firm indications by 1970 that the Celtic Sea area was as petroliferous as the North Sea Bed itself.

Secondly, the Irish people, were slowly becoming aware that they lived in a country with fabulous mineral wealth.

Much credit here must go to the Resources Study Group which had quantified Ireland's mineral wealth. Their discoveries were given political expression by the trade union movement and Sinn Fein, the Workers' Party.

The Irish gombeens had therefore two problems to solve. First they had to get themselves a large slice of the oil cake, without investing any real money of their own, in drilling or technology. Secondly they had to head off the rising tide of popular concern of which the first ripples could now be seen.

Their solution was ingenious. Fundamentally it was based on the evergreen appeal of nationalism. Since Arthur Griffith's time, the Irish people have seemed ready to accept the notion that it is somehow patriotic for Irishmen to set up an Irish company, whose business it is to exploit the labour of Irishmen for their own private gain. With a slight twist the Irish gombeens realised that this delusion could be used to their advantage. The new twist was to set up so-called Irish companies whose Irish facade was as real as a saloon in a Hollywood western.

There was one further reason for believing that this confidence trick would work. A similar strategy by Tony O'Reilly had worked in Tara Mines. The technique was to buy in to the foreign company as O'Reilly had demonstrated by penetrating Tara Exploration, using Fitzwilliam resources. Furthermore the Bula case had shown that a straightforward money-grabbing operation would be presented by the media as the patriotic struggle of an Irish company to get its fair share of anything that was going. Nobody in the financial press was likely to point out that these so-called penetrations occurred with the active support of the international cartels, who needed the presence of an Irish company to head off working class demands for nationalisation.

The Gulf Oil Rehearsal

On April 26th 1966, the Gulf Oil Corporation announced that it would build a crude oil terminal on Whiddy Island in Bantry

Bay. There followed a gigantic public relations exercise.* Reports promised a thousand workers on the payroll. Later the then Taoiseach, Jack Lynch, went on a junket to Japan. There was much talk of the £10m. that the terminal would cost. Local party politicians strongly supported it. Local gombeens made fortunes supplying the nuts and bolts. The trade union movement did its best to organise the workers who flooded in to live in caravans in Bantry.

Today in Bantry Bay, from which Wolfe Tone hoped to launch an Irish revolution, Gulf's huge tanks stands as a monument to counter-revolution – the first softening up exercise, to prevent an Irish industrial revolution. The boom is over. Some 50 men have jobs. But the giant storage tanks which disfigure Bantry Bay did nothing to ease the Irish oil crisis. Bantry Bay might as well be on the moon. But the tactics of this first rehearsal by the oil cartels was to be rigidly followed in the second great robbery which is now in full swing. The lessons of Bantry can also be learned by the Irish working class as general laws. There are five stages:

1. An Irish natural resource is "discovered", be it Bantry Bay or Irish off-shore gas. A public relations exercise is mounted by the foreign cartels to show how difficult and costly the development will be.
2. Local gombeens and politicians warmly welcome the project. The gombeens set up service industries to provide the nuts and bolts. The politicians refer to the fact that the labour is unskilled.
3. Local hoteliers and landed gentry oppose the development. Their opposition is on the basis of conservation or pollution. As they have no popular base and as members of the old discredited ascendancy usually stand alongside hoteliers who pay low wages, the working class movement finds itself without a policy.
4. Next the trade union movement, instead of putting forward

*For the flavour of the public relations exercise see Dick Walsh, *The Irish Times* October 10, 1968. Also Karl Jones, *The Irish Times* May 7, 1969.

a policy of nationalisation, denounces the conservationists, and accepts short term jobs. This has been the experience of Bantry, Navan and in a modified form, Wexford, in relation to the nuclear project.

5. Later, when the boom is over and the workers have gone, an agitation is belatedly set up by local politicians for some half-baked control over the cartel. The demand in Bantry was for harbour dues from Gulf Oil. The national version of this miserable demand is for State Equity Participation, be it in Bula, Tara, or Kinsale Gas.

Each and every one of these stages will now be repeated in Irish oil and gas. Sinn Fein has studied these stages. The policy it now urges pushes beyond both the gombeens (who supply nuts and bolts) and the conservationists (who would conserve everything but people). The Gulf Oil confidence trick was a small-scale model of the operation which is now to be repeated on a larger scale. But back in 1968 the Irish public was unaware of the conspiracy being hatched in the boardrooms of New York and Dublin.

Meanwhile even as the conspirators of Irish business prepared their plans the drilling ships of Marathon and Esso, in the Spring of 1974, were probing into the first of the gas reservoirs, which would bring fabulous wealth to the banking system of the world, to the Rockefellers and their associates and to the handful of their agents and collaborators in Ireland.

3. THE ROCKEFELLERS STRIKE IT RICH

Up to September, 1974, the Rockefeller Marathon oil company had drilled nine holes off Kinsale. The seventh struck it rich. The nine holes cost an estimated £11m.

Marathon encourages the general public to believe that this cost was tremendously high. Each borehole cost £1.1m. Faced with such figures people unfamiliar with the oil industry are impressed with the risks and the costs.

But in the oil business the Kinsale strike was so cheap as to become a legend. Seldom has drilling taken place with less risk. Marathon knew that the area had sedimentary basins of high petroliferous potential. Marathon were in the waters of a government known to favour free enterprise, which had given them exclusive rights to everything discovered. As against a world strike ratio of 1:15 Marathon had struck gas on a ratio of 1:7. To an industry that spends billions in the most barren conditions, that is viewed with fear and loathing by many Arab states, that implements its regime in many places with guns and strikebreakers, Ireland seems like an oilman's paradise.

The total expenditure by Marathon at a high estimate was £16.5million. The profit to Marathon and its financial backers over 22 years would be over £105m. This, after taxes, costs and all expenses have been paid. This, from one borehole in an area where Marathon's sister company Esso has already reported a second great oil strike and where many others are certain to exist.

These are vast profits. How do we arrive at these figures?

The Surplus Value from Kinsale

The first step is to calculate surplus value*. This is done in three stages. First we estimate the constant or fixed capital

*Formally stated, Surplus Value equals "value added" as employed in arriving at national GNP data, less the capital expenditure on wages. See Appendix 3.

costs of bringing the field into production. To this is added the value of operating costs, which includes wages and salaries. This gives the true cost price for the gas. The total value of the gas production is then assessed and the cost price subtracted. The remainder is the true value of Kinsale, which we call Surplus Value.

Constant Capital Costs*

These costs are estimated as follows. For pipeline (at a high estimate of £360,000 per mile) £10m. Add a further £10m for transport and shore facilities. Again add £54.25m for a gas production platform. (Again a high estimate for a platform which will come from Marathon's subsidiary shipyard on Clydeside). This gives a constant capital cost of £74.25m.

Operating Costs

To this we must add the operating costs, which in the main is variable capital. This includes the subsistence of the workers who will man the rig and lay pipelines. To this we add expenses such as Barytes drilling mud, which is available from the Ballynoe Mine, one of the world's leading suppliers. Operating costs will, over 22 years, come to £13.25m.

The Cost of the Gas

Thus while the Constant Capital Cost of raising 1,000 cubic feet of Kinsale Gas will be 7.4p, operating costs will be a mere 1.3p. This gives a total cost for the gas of 8.7p per 1,000 cubic feet. But Marathon have asked Nitrigin Eireann Teo for a price of 31.25p per 1,000 cu. ft.

The Value of Kinsale Gas

Estimates of the value of the gas at Kinsale can be obtained from the data given in Nitrigin Eireann Teo's estimate of the charges quoted by Marathon for supplying Natural Gas to Nitrigin's chemical plant at Marina Point.

*The financial data for the development of a gas field approximate to the size of Kinsale is found in: T. Wayne Whipple, *Oil Analyst Handbook for the North Sea and Celtic Sea.*

In their planning permission application Nitrigin quoted a cost within a negotiable range, starting as low as 14.6p per 1,000 cu. ft. to 31.25p per 1,000 cu. ft. Taking the median point of this range as the most likely price, we find that Nitrigin Eireann will pay Marathon 22.9p per 1,000 cu. ft. Assuming that the ESB who will take the remainder of the gas pays the same price and using Marathon's projected flow of 125m cubic feet per day for 22 years, we can come close to a definite value for Kinsale gas.

The total value of Kinsale gas before further processing is therefore £230m.

Surplus Generation at Kinsale

We can now summarise the costs and surplus value at the primary extraction stage of the Kinsale strike. This is before any industrial processing takes place.

Value of Gas Field		£230m.
Less:		
Operating Costs	13.25m	
Pipeline Costs	10.00m	
Transport and Shore	10.00m	
Production	54.25m	87.50m
SURPLUS		£142.50m.

The Carve-up of Kinsale Surplus

The £142.5m will be divided between Marathon, (who are a front for the Rockefellers), a handful of massively wealthy bankers (among whom will be found banks owned bv the Rockefellers such as The Chase Manhatten)and an equally tiny handful of Irish gombeens who own Petroleum Royalties of Ireland Ltd. Lastly, there will be a pittance for the Irish Government for expenditure on schools, hospitals etc.

Let us see who gets what. Assuming that Marathon will raise a third of its capital investment from the bankers at an assumed rate of 8.5% for 20 years and taking the Exchequer share as 40% of the profit (not surplus) we can calculate the probable carve-up to be approximate to the table below.

	Share	% of Surplus	
MARATHON	£38.6m	27%	
CAMBRIDGE ROYALTIES SHAREHOLDERS	5.9m	4.2%	Profit
PETROLEUM ROYALTIES IRELAND SHAREHOLDERS	£11.5m	8.1%	
FINANCIAL CONSORTIA	£49.2m	34.5%	Interest
IRISH GOVERNMENT	£37.3m	26.2%	Royalties & Tax
Surplus	£142.50m	100	

As shown in the diagram, the carve-up is between banks, Marathon and the Government. The huge amount going to the banks is inevitable in the era of finance capital. The same pattern was revealed in the North Sea, where First National City Bank, Chase Manhatten, Morgan Guaranty Trust, stand to gain £50m of the surplus at interest rates of 11¾%. Like the young Rockefeller, who took over Pennsylvania, because he had the transport, the international bankers will ultimately take over the North Sea because they have the finance.

Kinsale: The Further Value

These are conservative estimates by any standards. For example if we use the Odell formula, which reckons total hydrocarbon reserves to be ultimately three times the initial announced reserves, we could multiply the *value* of the gas by 2½. And because of the economies of large scale production, we can be sure that the consequent trebling of the surplus value would give us even more conservative figures.

On Odell's formula,* the Kinsale pre-processing value may be of the order of £626,887,500. Its surplus value would therefore be over £356m.

Gas as food

But even this does not give us the full picture of the economic potential of this single borehole. Ultimately the gas will end up as fertilisers, which, through Irish agriculture will end up as extra food products in our supermarkets. So we must add to the Kinsale gas all this extra value at each stage. The real question, is not: How much *gas* in Kinsale? but: How much *food* in Kinsale?

These two further stages of value, the fertiliser and the food-product, are the real value questions which Marathon are anxious to avoid. So too the old cattle dealers, anxious to export cattle on the hoof, tried to avoid questions about a food processing industry.

Kinsale: The Industrial Value

At this point we do not wish to anticipate the industrial options open to us on a national scale, which are dealt with in the last section of the booklet. But confining ourselves to Kinsale, let us look, not at the value of the oil and gas in its raw state at Kinsale, but at its ultimate industrial value. Using Kinsale as a model we can assume for purposes of simplicity that all the Kinsale gas will be used to produce fertiliser, which, will be used by agriculture in Ireland, which in turn will be used to produce food. We use this hypthesis as a guideline, knowing that the plans in fact for Kinsale gas are different and irrational. The plans, as announced involve 60% of this high grade petrochemical feedstock being burned wastefully by the ESB to produce energy. . .

But taking the remainder, which will be used by Nitrigin

*The formula used by Peter O. Odell, Professor of Economic Geography at the Netherlands School of Economics states that the final reserves exploited in an average oil or gas find are 2½ the size of the initially announced reserves. Dr. Odell was with the Economics Division of Shell International for several years.

Eireann Teoranta for its correct purpose, to make ammonia and urea, we can still get some definite figures on its industrial potential.

The NET Value Addition

NET (Nitrigin Eireann Teoranta) estimate an annual value of £26m for their full production target, which is 300,000 tons ammonia and 435,000 tons urea.

If for purposes of this exercise, we assume that all Kinsale gas were processed by NET, its value in primary chemical form, would be £65m p.a. or £1430m over the total period of the operation. If we similarly upgrade the cost of producing urea and ammonia (ignoring the economies of large-scale production) the surplus value comes to £1,117.5m.*

COSTS OF AMMONIA - UREA PRODUCTION
FROM NATURAL GAS
(125m c.f.p.d.)

CONSTANT CAPITAL COST	£75m.
OPERATING COST:	
a) Workers' Subsistence	£50m.
b) Operating	£100m.
Total Cost of Fertiliser Production	£225.00m
Plus Cost of Gasfield Production	87.50m
Total Cost at 2nd Process Stage	£312.50m

Again these figures can be considered conservative estimates, (a) because the capital cost of the plant has been upgraded

*Costs based on NET's own estimates for their proposed complex at Marina Point in Cork.

from £30m as if in theory all Kinsale gas was to be processed there, thus leaving out economies of scale; (b) it is possible that reserves in Kinsale may be 2½ times those initially announced. Again, multiplying the value by 2.5 shows £3,575m. The surplus value then equals £2.795m.

Kinsale: The End of a Myth

These figures destroy the propaganda by the cartels that oil and gas are not profitable, because of the initial high investment, and that therefore we should be scared of taking over the operation ourselves.

But the above figures show that the capital cost of Kinsale could be easily found by the State from our own resources, using one of two sources:—(a) State investment from taxation in 1973 was £165.1m. In 1974 the projected growth is £223.6m. This can be measured against Marathon's expenditure over 22 years of £87m. (b) But if the resolution of the ICTU on the nationalisation of banks were implemented, the advances to property speculators could be called in. This stood at £59.6m in 1974. By ending property speculation, we could find more than two thirds of the capital needed to bring Kinsale into full production over 22 years. Few in Ireland would protest at such a swap. It would mean giving up our own speculators to take back our gas from foreign speculators.

Kinsale: Navan from one Borehole

On these figures the single Kinsale borehole gives a gas reserve of the same order of magnitude as the Navan zinc and lead ore body. And this is possibly underestimating its significance.

When we think of the other strikes that will certainly be made it is easy to see why Irish mineral wealth fades into insignificance in comparison with the hydrocarbon wealth of the Irish Sea. It is also easy to see why the foreign monopolies and their gombeen collaborators wish to retain control of the oil and gas by playing down its true value.

Kinsale as Energy

The implications of Kinsale in national energy terms are equally staggering. Marathon's gas output from Kinsale converted to its oil equivalent is 20,000 barrels per day or 7.3m barrels p.a. In a crisis or if we decided to ignore industry, this can be used by the ESB to make electricity.

In tons, the Kinsale strike is equal to 1.043 million tons of oil per year or 18.9% of the Republic's total annual oil consumption.

If Marathon is underestimating the size of its reserves as is likely, then it is possible that the equivalent of 2,610 million tons is there.

From Kinsale 47% of national oil consumption. From one borehole. Even as it stands the Kinsale gas is planned to substitute for 44% of the ESB's current oil imports.

Half the nation's energy requirements from one borehole. What would two mean? Are we to believe the oil monopolies will stop at anything to get their hands on a dozen?

Domestic Heating from Gas

There is one other way to value Kinsale. Dublin gas consumers pay 10.60p per unit of 100 cu. ft. That means that the Dublin Gas Co. charges £1.06p per thousand cubic feet. At this price Kinsale gas is worth £1,060. per million.

If private profit were cut out and our domestic gas supply system linked to Kinsale it would be possible to reduce the price of gas by 4 times. Of greater social benefit would be the generation of a massive surplus (amounting to almost £1 per 1,000 cu. ft.) which the State could use to transform social welfare, health and education.

But none of these alternatives would be acceptable to the Gas Gombeens who have a vested interest, in exploiting the Irish consumer.

The Gas Gombeens

The Irish gas gombeens can be divided into two groups. Both groups however are interlocked. The first group are town gas companies e.g. the Dublin and Cork Gas Companies. The

second group are the bottled gas cartel, which since the merger of Calor Gas and Kosangas is an effective monopoly controlled by the giant British Charterhouse Group Ltd., which has 197 subsidiaries in 17 countries. Bringing up the rear of the market is Ergas, which is owned by Patrick McGrath of Celtic Oil. But in accordance with the laws of monopoly capital, McGrath himself in May 1974 was forced to sell 15% of Ergas to Irish Industrial Gases, which in turn is owned by British Oxygen.

The link-up between the Dublin and Cork Gas Companies, the Calor/Kosangas group and the petroleum royalty companies set up by the international oil cartels can be seen in the directorships held by four leading Irish gombeens, John Ronan, John P. Reihill, Tom Doyle and Senator Patrick McGrath.

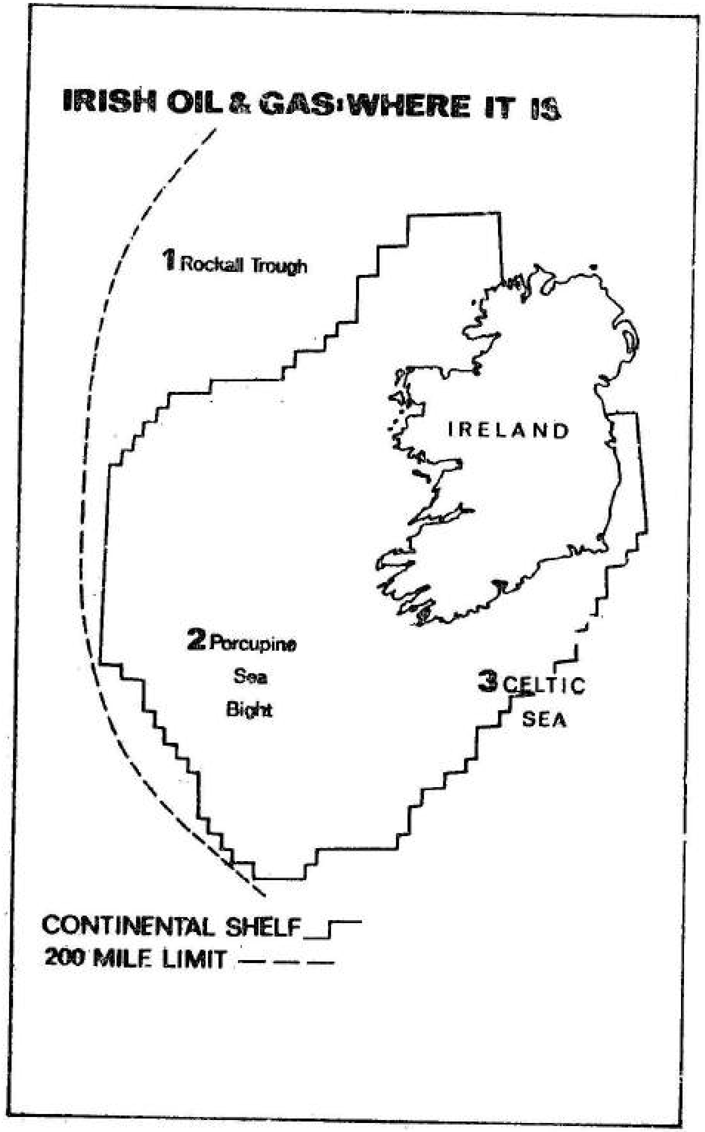
John Ronan is director of L.P.G. Ltd., which is totally controlled by Charterhouse Finance. John Ronan is a director of Kosangas Ltd. John Ronan is also a director of Calorgas Ltd. And John Ronan is also a director of the Cork Gas Consumer's Co. Ltd.

One of his fellow directors in the Cork Gas Co. is none other than Thomas F. Doyle, a director of Irish Shell, and B.P., whom we last met at Whitegate and whom we shall meet again in his capacity as director of Irish Marine Oil, which is a front company for European Marine Oil, who want an exclusive license to prospect for Irish oil and gas.

John Reihill is a director of the Dublin Gas Co. He is also a director of Irish Marine Oil and of course the mastermind behind the coal monopoly, Coal Distributors Ltd. We will meet him again in the section dealing with the coal cartel.

Lastly comes Senator Patrick McGrath of Ergas, who of course is director of Celtic Oil, the front company set up by Hunt International of the United States, in the confidence that an application by them for an exclusive license would find favour with the Government, which appointed McGrath to the Senate.

The Gas Gombeens, having sold out to British capital and exploited the Irish consumer, now intend to exploit Ireland as a producer, as agents of American capital.



4. THE ROCKEFELLERS TELL YARNS

From the beginning the oil cartels and in particular Marathon and the Rockefeller empire have tried to keep the facts from the Irish public. They are aided and abetted in this by the Irish Government, which had only three geologists to process the vast bulk of information and data which pours out from the world oil industry.

Most of this data is deliberately misleading. It is consistently designed to hide from producing countries the exact size of their wealth. Using exactly the same technique as young Rockefeller in Pennsylvania, the oil companies depend on their monopoly of technology and information to confuse the general public.

In Ireland this strategy of black oil propaganda has two stages. In the first stage the Irish gombeen class is enlisted to hold seminars,- lectures and meetings. These are addressed by so-called "neutral" experts. All these experts are in fact employed by the multi-national oil companies. In a monopoly situation, who else would pay an oil consultant £10,000 a year to address conferences around the world? As Tomas Mac Giolla, President of Sinn Fein told a meeting of the Resources Protection Campaign at the Mansion House, *"There are no neutral oil experts"*. The experts urge caution, delay and stress what a big industry this is and what a small country Ireland is. The quote below from the General Manager of Coras Trachtala is typical.

This policy has gone so far that the oil combine have been sending over "academics" with impressive sounding titles to dispel among the Irish people the realisation of the fact that we have oil and gas wealth of tremendous economic import, and to spread the myth that we cannot possibly exploit our resources (a myth that the Minister for Industry & Commerce apparently has been happy to spread). An example of one of these missions was the lecture visit of Professor D.Gill who is

Off-shore oil, "no easy bonanza," warns Garvey

THE IRISH TIMES,

Professor of Petroleum Technology at the Royal School of Mines in London. Professor Gill, who was on a visit to University College Cork, came over to tell the natives all about how we might best develop our oil. He generously imparted to us the following invaluable scientific observation which should be of inestimable use to the Irish workers in developing our oil and gas: "It is dangerous for your Government to spend too much of the taxpayers' money before they know what they are spending it on -- sit back and see what is found before you commit yourself to one horse, wait and see which one comes in best." Professor Gill did not mention that he is a director of the International Energy Corporation of New York and Place Gas and Oil Inc. of Toronto.

Because these royalty companies are locked into the Fine Gael and Fianna Fail parties, they affect Government policy. The tone of all Justin Keating's public pronouncements has emphasised the grip of the oil monopolies in the highest Government circles. This is to prepare the general public for a policy of State equity participation.

State Equity Participation

This policy would put the Irish Government on the same

footing as one of the Irish gombeen front oil companies. The Irish Government would be a minority shareholder in an international oil monopoly. It would get a share of the profits from Irish oil and gas. But it would not own Irish oil and gas. There could be no planned economic development from each stage of the oil production line. The sell-out of Irish minerals would be repeated on a much greater scale. The general public is now being prepared for this confidence trick, by three basic tactics of propaganda, pushed by huge public relations and media exercise.

The Three Tactics

In a thousand different ways, the oil companies tried to plant doubt in the public mind about three vital questions.

The Size of Ireland's Oil and Gas Reserves. At each stage the oil companies attempt to hide the true picture. They present themselves as men, risking enormous sums of money, probing in the sea bed for something that may not be there.

The Irish people must be told the truth about these reserves.

The Cost of Oil Production. Since the great Kinsale strike makes the first bluss difficult to carry through the oil companies have moved on to the cost factor. They stress the huge amounts of money it costs to produce oil and gas out of the seabed. They imply that no sane person would suggest that Ireland could do this herself.

The Irish people must be told that the costs are exaggerated and are quite within the capacity of the Irish economy.

Ireland As a World Producer. Above all the oil cartels are determined to hide the fact that even now Ireland is in terms of reserves, one of the significant oil and gas powers in the world and potentially poised to become a leading industrial economy.

Irish people must be told exactly where Ireland stands in the world scale.

Let us now get down to the facts and figures on each of these three questions.

Ireland's Oil and Gas Wealth

It is difficult to give exact estimates on the true size of Irish oil and gas reserves. But piecing together the fragmentary evidence built up over the past few years and the increasingly optimistic assessments of the expert forecasts in foreign technical journals, the evidence points overwhelmingly to the conclusion that Ireland's offshore area is immensely rich in hydrocarbon resources.

Seismic Evidence

Seismic evidence on the structure of the seabed is obtained by bouncing radio signals off different rock strata. This research has been conducted extensively in Irish waters since the 1960s and has pinpointed the areas where drilling should reveal commercial oil and gas reserves. The picture of the Irish seabed shows large sedimentary rock foundations. This is the type of rock strata which holds oil and gas. Within these rock strata exist escape-free salt "domes" in which pockets of oil and gas have built up.

a) In the Celtic Sea area, (see map) at least 25 such structures exist. Eleven of these have been pinpointed on the British side. In Irish designated waters there are three major areas apart from the Kish bank off Dublin Bay, which also has a high probability of holding petroliferous reserves.

The Celtic Sea, overall, contains about 9,800 cubic miles of sediment. On the basis of a standard formula employed by petroleum geologists*, this area will yield at least 1.6 X 109 barrels. This represents 600m tons of oil.

b) About 120 miles off the Galway coast and stretching down to about 75 miles south of Mizen Head lies a massive sedimentary basin of the same geological age as the North Sea oil-bearing structures. This basin is underlain by sediments which have been measured to be up to 5 kilometers thick and which certainly contain salt domes. In the slopes of this basin, known as the **Porcupine Sea Bight** (see map) lies, what is

*See L.G. Weeks in *Bulletin of the American Association of Petroleum Geologists,* 1965, No. 49, pp 1680 – 1693.

potentially a vast accumulation of oil and gas greater than the North Sea itself. Confidential information in the possession of the First National City Bank has suggested that it may be of the magnitude of the Persian Gulf.

c) To the North-West lies the islet of Rockall and the Rockall trough. The Eastern slopes of the **Rockall Bank** is draped with considerable sedimentary sections. A large part of this area is inside Ireland's 200 mile economic zone. (see map). However the British Government, without consulting Ireland or Iceland has annexed Rockall. By this gunboat style policy they hope to obtain exclusive control of the East slope of the trough, thus cutting down Ireland's economic zone. The same technique was used by Britain against Icelandic fishing rights to secure control of the North-East Atlantic.

The Arrival of the Oil Cartels

Even more significant is the enormous interest in the Irish Sea which the international cartels have shown. To date 64 oil companies have applied for exclusive licenses. Fifteen of the most determined have gone to the extent of establishing Irish front companies to pressurise the Irish government to give the parent company exclusive licenses. The most prestigious trade magazine of the International oil industry, *Petroleum International* has recently carried strong evidence and persistent interest in Irish oil runs in the industry. In a recent interview with Mr. R.S. McAlister, Executive Vice-President of the Occidental Oil Co. of Great Britain, which owns one of the largest North Sea oilfields said "We have been taking a *close* look at the Celtic Sea which looks encouraging." Coming from the General Manager of a large company in an industry notorious for laconic if not misleading statements we can be assured that if Mr. McAlister is taking a close look at anything in Irish waters, the glance will be keen as a drill bit.

The Success of Drilling

To date only nine holes have been drilled by Marathon in the Irish Sea. But no less than three of them revealed significant gas reserves. The seventh hole of the nine found gas which will flow for twenty two years at the rate of 125 million cubic feet per day. This figure comes from Marathon itself, which in common with general practice in the oil industry plays down the exact size of any discovery.

This single drill will therefore in energy terms, provide 18.6% of the total annual Irish consumption of fuel oil. Alternatively this single drill will provide 74.5% of the total fuel consumption of the ESB in any year.

It is difficult to grasp the enormous significance of such huge energy wealth, discovered on the basis of such a tiny number of holes drilled. Using Odell's formula that the size of reserves initially announced by oil companies are consistently underestimated by 60% we may now multiply the above figures, which are Marathon's, by a factor of 2.5. This is reasonable in the light of Marathon's exceedingly pessimistic early reports from Kinsale, which were proven false.

Using the Odell formula we can project that the annual output of the Kinsale gasfield may be equivalent to an annual output of 2.562 million tons of oil. This means that the Kinsale gasfield would provide 46.6% or nearly half the Republic's oil needs on 1973 figures.

The High Strike Rate in Irish Waters

More dramatic than these figures, however is the importance of the strike ratio. The strike ratio means the numbers of successful holes drilled in proportion to those which show no gas or oil. Here we can compare the Irish results with those from other parts of the world. In the Southern North Sea the ratio is 1:13. In the Northern North Sea it is 1:8. The world average is 1:15. If we take the gas which will shortly be coming ashore at Kinsale as our only evidence the Irish ratio is a startling 1:9. But as three of the nine holes drilled off Kinsale have significant gas reserves, the real Kinsale ratio is 1:3.

This fabulous wealth at Kinsale is a far cry from the dreary understatements put out by Marathon and our Minister for Industry and Commerce. Not merely is there much more than

"Significant traces of hydrocarbon" or the mendacious "potentially commercial" or even the poormouth "A little gas" (Justin Keating). Kinsale is nothing less than a massive discovery of Irish natural gas.

The O'Donnell Estimate

It is interesting to compare our estimate with a different approach to assessing Irish oil and gas reserves. Dr. Sean O'Donnell of Edinburgh University, using exploration geologists predictions of 8m. tons for the European Continental Shelf, reckons that at least one quarter of the sedimentary rock lies within Irish waters. Dr. O'Donnell estimates a minimum of 2,000 million tons for Ireland "If a Middle East situation is repeated, as now seems somewhat likely" he told the *Irish Press* "ten billion tons would probably be our reserve."

In the light of Dr. O'Donnell's maximum estimate, our estimate of 1,000 million can be regarded as highly conservative. Nevertheless, we are keeping this conservative estimate as the basis for all projections throughout the booklet.

British Petroleum's Estimate

Dr. F. Howitt of British Petroleum states that there are 9,800 miles of sediment in the Celtic Sea alone. He estimates that this could yield 4.4 X 109 barrels of oil*. Since Irish waters in the Celtic Sea would contain 60% of this oil, on Dr. Howitt's estimate there are 360 million tons of oil in the Celtic Sea Irish Waters. Dr. Howitt's estimate does not take in either oil reserves off Dublin Bay, nor the massive sedimentary basins of the Porcupine Bight. Without even considering the Rockall Trough area, we feel safe in predicting that a minimum 500m tons of oil will be certainly discovered in years to come in the Irish portion of the Celtic Sea.

Ireland: Producer of Oil and Gas

Nobody has taken a keener interest in the Kinsale strike than the British Government. With access to specialist information

*Dr. F. Howitt, *Nature*, June 21, 1974.

and from its experience in the North Sea, the British Government has begun to estimate the value of Irish hydrocarbons.

The most important evidence was given in a paper delivered in May 1974 by Mr. W.J. George, the United Kingdom Production Co-Ordinator of British Petroleum. Mr. George's overall estimate of the known oil and gas reserves of the Continental Shelf, around the British Isles, gave this estimate of what he reckoned to exist in the Celtic Sea: *"Other areas, including offshore Ireland should add a further 36 trillion (million million) cubic feet".*

This figure allows us to make the first estimate of the gas reserves in the Irish and Celtic Seas. Ireland owns 60% of the Continental Shelf in this area. On the basis of the indications given above and on George's projections we can now make a conservative estimate as follows:

Ireland possesses reserves of 25 million million cubic feet of natural gas. It merely remains to compare these reserves with other countries to see how staggering are the implications. The comparison is set out below.

These figures represent the most important industrial and economic development in the history of this island. On the basis of this estimate Ireland possesses 1.2% of the world's natural gas reserves.

But the third column which shows reserves per head of population is the most significant. Because of Ireland's small population more oil and gas is available to every man, woman and child, than for example the North Sea makes available to the United Kingdom. Ten times more, as can be seen by comparing the U.K. figures with those of Ireland.

This means that Irish gas reserves could transform our economy to a far greater extent and for a much longer period of time than those of Great Britain.

To grasp what is involved let us look at what the oil equivalent of Mr. George's estimate would be. Translating from gas to oil we have the equivalent of 512.5 million tons. This is enough to supply total Irish consumption needs at the 1973

IRISH GAS RESERVES IN A WORLD CONTEXT

Country Or Area	Gas Reserves in Million/ Million Cubic Feet	Reserves Per Head of Popn. (Cu.ft. per person)	Reserves as % Total World Reserves
Middle East	413.3	3.85m.	20.1
Iran	270.0	9.31m.	13.1
Saudi Arabia	50.9	6.39m.	2.5
Kuwait	32.5	39.16m.	1.6
IRELAND	25.0	8.62m.	1.2
Iraq	22.0	2.26m.	1.1
Abu Dhabi	12.5	25.00m.	0.6
Lebanon	8.0	2.79m.	0.4
Oman	2.0	2.94m.	0.1
Neutral Zone	8.0	2.79m.	0.4
Quatar	8.0	100.00m.	0.4
Bahrain	4.0	18.18m.	0.19
Dubai	1.0	1.80m.	0.05
Syria	0.7	0.11m.	0.03
Sharyah	1.5	3.30m.	0.07
Israel	0.25	0.08m.	0.001
Jordan	—	—	—
South Yemen	—	—	—
Turkey	0.2	0.01m.	0.01
Egypt	4.2	0.12m.	0.2
Norway	23.0	6.05m.	1.10
United Kingdom	50.0	0.88m.	2.4
Holland	92.0	5-10m.	4.5
United States	247.3	1.21m.	12.0
Soviet Union	706.0	2.61m.	34.7

Sources. *Oil and Gas Journal* World Wide Report, December 1973. See also *United Nations Demagraphic Yearbook* 1973.

level for 93 years. In terms of national oil consumption, either for energy or petrochemical industry, Irish gas has more national significance than that of Britain.

Ireland therefore, on the British Government's projections has a vast supply of gas – not the "little gas" referred to by our Minister for Industry and Commerce. What it means can be found by looking at another small nation, Norway, which has come into similar riches. Speaking at the New Jury's Hotel, last December, Mr. Thomas Egeberg, Director of the Oil Division, Norwegian Aker group said: "Presuming that Ireland will be as lucky as Norway, both countries will be among the few European countries to become net exporters of energy. Hydrocarbons have been already found on your Shelf and it is very likely that much more will be found. The authorities and existing industry should make this presumption and act accordingly."

These sound words of advice offered to the Irish business class fell on deaf ears. Arrangements made by the "authorities" so far have been designed to make the worst possible use of our oil and gas and above all to prevent its use as the basis for an industrial takeoff.

5. THE ROCKEFELLERS' IRISH FRIENDS

In June 1972 the international oil monopolies began to infiltrate into Ireland the Fifth Columns which were to play a decisive role in the giant robbery of Irish oil and gas. These fifth columns were known as Irish Petroleum Royalty companies. To date there are twelve such companies and more Fifth Columns are assembling quietly by the hour.

Behind these are marshalled, as of June 1974, no less than 65 overseas petroleum companies, also clamouring for exclusive rights to exploit Irish oil and gas. Despite their numbers, these 65 companies are far less valuable to the oil cartels than the 12 Irish Petroleum Royalty companies, whose function is to secure and hold a beachhead for the oil monopolies until such a time as the main invasion force is assembled and equipped for full conquest.

The instructions to the top ten Irish Petroleum Royalty Companies are simply to carry out the strategy laid down by the *Financial Times* on June 17th 1974, which in describing the policy of the multi-nationals towards Irish oil and gas did not hesitate to use the language of warfare:-

"The present favoured strategy is to construct and promote a consortium as to give it an 'Irish' angle, a process which is based on the philosophy that the Government, in the allocation of exclusive licenses, will look most favourable on applications with which local interests are associated directly. This is likely to be a largely cosmetic exercise, since inevitably the bulk of technical expertise and development capital will come from the internal 'foreign' element in the package, but it is a formula, which may well suit the Government politically in heading off any allegations of selling out Irish resources to foreign speculators."

Here then in the *Financial Times* is the battle plan of the oil monopolies. As in siege warfare, a Trojan horse is to be introduced into the city while spies and saboteurs spread alarm and confusion.

In countering such tactics it is first necessary to identify the spies and traitors. The first step is to know where they will appear and what their tasks are. Therefore, let us look at the functions of the Irish Petroleum Royalty companies. These functions become clear if we consider the three types of license for oil and gas issued by the Irish Government.

The first type of license is the *Petroleum Prospecting License* which gives non-exclusive rights to prospect in a defined area. The second is the *Exploration License* which gives exclusive rights to explore only in a defined area.

The third and prize license, which all the multi-nationals want is the *Petroleum Lease*, which gives exclusive rights to exploit the seabed minerals in a defined area. Only Standard Oil, New Jersey (Esso) working through Marathon, hold such a license.

This presented the other oil companies with a problem. How to secure such a license for themselves? The answer, as given by the *Financial Times*, was to secure the backing of the Irish gombeen business class in the secure knowledge that their Government would be partial to the interests of the class which put it in power. So the oil cartels, apart from their own independent applications for a petroleum lease, also set out to secure extensive minority interests in any Irish oil companies.

The Irish Petroleum Royalty Campaign

The Irish oil gombeens for their part were well aware of the strategy of the oil cartels knowing that the fleet was in town, they placed themselves in strategic doorways on the age-old principle that if prostitution was to be carried on, there would be a strong demand for pimps and premises.

Between 1972 and 1974 Irish politicians, financiers, industrialists and bankers met in the boardrooms and golf courses of Dublin and laid their plans. It was the most fruitful discussion between finance capital and industrial capital that had taken place in Ireland. The result was seen in the formation of

THE TOP IRISH OIL SLICKS
NAME OF COMPANY/SOURCE OF CONTROL
ARRAN OIL *UNITED KINGDOM*
CELTIC OIL *USA*
ERGAS *FRANCE*
FITZWILLIAM RESOURCES *USA*
HIBERNIAN OIL AND GAS *CANADA*
IRISH NATURAL RESOURCES *USA*
IRISH OFFSHORE OIL *USA*
IRISH OFFSHORE RESOURCES *USA*
IRISH OIL AND GAS *CANADA*
PETROLEUM ROYALTIES *USA*
SEAHORSE *USA*

twelve Irish Petroleum Royalty Companies. Full details of the complex interlock of directors, bankers, shareholders and politicians between those twelve are given in Appendix I. This shows the intricate mosaic of Irish industry, its foreign masters and the Irish politicians who carry out their policies.

The Top Irish Oil Slicks

Only an expert could follow the intricacies of the deals which form the scaffolding that props up the "Irish" petroleum companies. But one tendency emerges clearly. Like their foreign masters, the Irish business class is driving remorselessly down the road to monopoly. Each of the top petroleum royalty companies shares directors and shareholders with the others or is bound together by political or marketing interest. And so, through the sludge of the oil slick laid down by the Irish gombeens, we can see not just a reflection of international monopoly capital, but deeper still the murky outlines of Irish monopoly capital, a subsidiary of American and British capital. To make this clear, the chart below isolates some of the links and chains that hold Irish industry together in the interest of international monopoly capital.

A General Guide to the Chart

These companies are the spearhead of the oil monopolies' campaign. To find out how they are likely to behave, we must understand both their general function and their local vested interest function. Finally by looking at a case history of one of these vested interests, Tedcastles, we can discover how these companies will treat the Irish people.

General Interests

Taken as a whole, these ten companies are bound together by one general interest, to make as much money as possible for the Irish ruling class. They control sixteen of Ireland's top public companies, employing 35,000 workers. Sprinkled carefully among them are Fianna Fail and Fine Gael Senators and T.Ds. Among them also are the chief executives of all the national newspapers, (with the exception of the *Irish Press*) who are both directors of a petroleum royalty company. That means the *Cork Examiner, Evening Echo, Irish Independent, Evening Herald,* the chain of provincial newspapers and journals ranging from the *Kerryman* to *Ireland's Own,* together with *The Irish Times*, can be used to reflect the general policy of the petroleum companies. This pervasive presence has already been felt in the financial columns of the Irish media.

So, the totality of industrial, political and propaganda influence at the disposal of these companies already demonstrates that the laws of monopoly capital apply rigidly to Ireland. This tiny group of wealthy men and 'bought' politicians wield a terrifying and ruthless power over the moral and physical lives of thousands of Irish men and women. Since they are already united by monopoly capital they will act and strike together to defend themselves from the demand they fear most.

The power at the disposal of this handful of wealthy men stretches into the life of every Irish working man and woman. They control wages and welfare. They control what people read and what people think. As a group, they are intertwined with one another across industry, banking and the media. They prove that monopoly capital has set up its own image and likeness in Ireland. And since they are a monopoly, there is no longer need for them to fear the rivalry of business competitors. Now only one enemy confronts them and only one demand terrifies them.

Their enemy is the Irish people. Their waking nightmare is a demand by the Irish people that those who work should have the reward. That the State on behalf of the Irish people should take this power and wealth from this tiny group and vest it in all the people.

Vested Interests

But apart from standing together as a monopoly group, these companies have within their ranks local vested interests and individuals, whose profits depend on obstructing the kind of integrated development of oil and gas, which alone can bring full employment and better living standards. Such development would mean State intervention, ranging from maritime services to building construction, cheap domestic heating, cheaper petrol, State petrochemicals and State plastics industries. Each of these developments would cut the profits of existing inefficient private concerns. Let us now look at how the chart reflects these vested interests.

Political Group

The Coalition is represented in Celtic Oil through George

Russell, Secretary of the Fine Gael Party; Alexis Fitzgerald and above all Senator Patrick McGrath. At first glance, Irish Offshore Oil with Senator Eoin Ryan and Oil and Gas Explorations with Senator Brian Lenihan seem to be the Fianna Fail group. But money has no place in party politics. Patrick Belton of Fine Gael and Kevin Norton of the Labour family share the same boardroom. The function of this pressure group is clearly political. Both Government and Opposition are covered off.

Financial Group

Finance capital pervades all ten companies. Both the Bank of Ireland and Allied Irish Banks have secondary interests through individuals in all ten companies. Guinness & Mahon are in both Irish Offshore Oil and Forest Oil. The Fitzwilton Group are in Petroleum Royalties, Forest Oil and Seahorse and indirectly in Celtic Oil, but the full range of their power can only be grasped by close study of Appendix 1.

Mining Group

Pat Hughes of Tara blatantly works in the interests of the foreign mining cartels. Tom Roche in contrast likes to present his Bula company as a kind of patriotic firm, anxious to get a cut of the profits for Irishmen. Both however, have set up companies to assist in the sell-out of Irish oil and gas. Apart from profit, their common driving motive is to head off pressure for nationalisation. If oil is nationalised then mining must follow.

Industrial Group

Prominent in this group is Hammond Holdings, which is notorious for its callous treatment of Dublin workers. Hammond Holdings are present in both Celtic Oil and Petroleum Royalties. Smurfits are represented in no less than three oil companies, Celtic, Petroleum and Irish Natural Resources.

Petrochemical Group

This is a key group as it will play a major role in opposing a

State petrochemicals/plastic industry. Sir Basil Goulding is involved in both fertilisers, (which brings him up against Nitrigin Eireann) and plastics, (which puts him against a State plastics industry). He is director of Goulding Fertilisers, Ulster Fertilisers, Richardsons Fertilisers, Phospac and Sulphac Ltd., which all maintain artificially high fertiliser prices.*The ruling class he hopes will refuse to allow Nitrigin Eireann to take 100% of the Irish fertiliser market on a non-commercial basis. Goulding is also director of Goulding Plastics, which is controlled by the Fitzwilton Group. Sir Basil Goulding's opinions on a State petrochemicals plastics / industry, based on State ownership of oil and gas would be similar to those of Senator Patrick McGrath of Celtic Oil, who is a director of Irish Plastic Packaging — which in turn is controlled by the Metal Box Co. London.

Media Group

The Irish Times is involved in Irish Marine Oil, through T.P. McDowell, Chairman of the Board. The *Irish Independent* is represented in Tony O'Reilly's Forest Oil which of course includes a stable of provincial papers. The *Cork Examiner*, through Tom Crosbie is in Celtic Oil. The *Irish Press*, which is not represented is conducting a Bula-type campaign, which under the guise of being anti-Coalition effectively encourages small Irish capitalists to get in on the deal "for Ireland's sake". Not even Radio Telefis Eireann is safe from the oil/mining pressures, as Tara's buyout of prominent producers and journalists on the RTE *Enterprise* team revealed.

Key Individuals

Alexis Fitzgerald, a Fine Gael Senator, of Celtic Oil is solicitor for at least five of these oil companies. That is to say 50% of the oil business passes through his hands in a fashion that demonstrates clearly that these companies must ultimately merge under the monopoly control of one of their foreign

*For more detailed information read *Tony O'Reilly's Last Game – A Case History of Irish Capitalism* Repsol 1976 .

masters, probably, Standard Oil, New Jersey, Fitzgerald is also director of no less than 54 property and investment companies, who speculate in and exploit the misery of Irish workers. Again, this shows the monopoly tendency of Irish capital.

Tom Doyle (of Petroleum Royalties and Irish Marine Oil) will of course strongly oppose any State plan to use oil and gas for cheap domestic heating as he is director of Cork Gas Consumers Ltd. He will also carry out the policies of British Petroleum as he is a director of Irish Shell B.P.

Lord Killanin of Irish Offshore Oil is also a director of Shell B.P. and has "goodwill" influence in sporting and social circles which will be used to generate the right kind of public opinion.*

The McInerney Brothers. The only jobs which the foreign oil experts and their Irish collaborators seem to hold out are in the building and construction industry. Like the Gulf project this provides a few hundred jobs for a year or two and then fades away. McInerney Bros., like other builders have much to gain from this kind of short term activity as a long-term project would mean a state Construction Company, integrated into a Ports Development Plan.

John Reihill, director of Irish Marine Oil who is also director of Tedcastle McCormick, will of course be alert to the danger of a State Energy Corporation, using oil or gas to provide cheap heating for domestic use. Like all businessmen who oppose 'State monopoly' he has no objections to ruthless takeovers by private firms like Tedcastle McCormick's as the following case study illustrates.

The Irish Coal Monopoly: A Case Study

How will the top Irish oil companies treat, not only Irish workers, but small traders? We have seen how Esso and Shell treated the small filling stations. We know what they did during the energy crisis. Tedcastle McCormicks have a sizeable

*As chairman of the International Olympic Committee, Lord Killanin has made many pleas for politics to be 'kept out' of sport. He has made no similar plea that politicians like the Rockefellers should be kept out of Irish oil and gas.

interest in no less than three of the "Irish" oil companies. What will their reaction be if it is proposed that the State take over domestic heating? Their answer will be to raise an outcry about State monopoly. What is their own record on monopoly? Let us examine it.

The Coal Cartel

In 1973, following an initiative by the National Prices Commission, the five largest coal distributors in Ireland banded together to form a company called Coal Distributors Ltd. This in turn was a totally owned subsidiary of a group called Consolidated Holdings. The largest shareholder in Consolidated Holdings is Tedcastle McCormicks as the table below shows.

Consolidated Holdings Ltd:	Share Issue:
Tedcastle McCormick	30,492
Doherty	27,760
Donnelly	25,522
Heaton McFerron	25,146
McKenzie	11,880

The first action of this cartel was the "rationalisation" of the coal industry. This meant throwing hundreds of men out of work and cost £440,000 in redundancy payments. The State had to pay 20% to subsidise this monopoly. The rest of the year saw five cases of discrimination and oppression against small traders and the general public.

Poor Coal for the Provinces

At the Coal Trade Enquiry on June 18th 1974, Mr. Stanley Linehan, chief executive of Coal Distributors Ltd., admitted that the screening of coal, which involves the separation of coal from slack, had been used as a weapon against traders in the provinces. He said: "During the coal crisis, screening of coal had been carried out on coal for domestic consumption, *but it had not been carried* out to the same degree on coal for provincial merchants." Ulster merchants had put up stronger opposition because, Mr. Linehan added, that Coal Distributors Ltd. had been "throwing away profit", by throwing out slack which they could have sold as coal.

The Polish Coal Scandal

In late 1973 under an agreement that Poland would ensure Irish coal supplies for the next fifty years, the coal cartel managed to gain control of the bulk of the Irish market by pretending that the Polish Coal Trading Co. would only sell to Coal Distributors Ltd. A small coal trader from Donegal called Moyne told the Inquiry that he had been importing coal through Moville port for 14 years. Since June 1973, he had received no supply of Polish coal. MacDonagh Bros. of Galway also told the Inquiry that they wanted to bring Polish coal through Tedcastles. "We feel sure there is some kind of monopoly in Dublin", they said. Enquiries by MacDonaghs to the Polish Coal and Trading Co. revealed that the Poles were not at fault and were willing to sell to anyone in Ireland. The monopoly on distribution was caused by Tedcastles and their junior partners.

The Strike Breakers

During the British miners' strike, John Hume's Ministry of Commerce got the Dublin Government to arrange that the Tedcastle group would supply coal to the Six Cos., although this would aggravate the coal scarcity in Dublin. Mr. Moyne of Donegal, in evidence to the Inquiry said the coal was sold in the Six Counties cheaper than in Dublin.

Hoarding

In January 1974 Coal Distributors Ltd. had almost squeezed out 67 small coal merchants. They testified that at the height of the energy crisis, Coal Distributors Ltd. had rationed their supplies, not out of prudence, but to put them out of business so that the top five could have a monopoly.

Destruction of the Bellmen

One of the oldest occupations in Dublin has been that of the

'bellmen', small traders with tiny yards scattered around the city, who provided cheap and convenient supplies for the poorer people of the neighbourhood. This year Tedcastle McCormick began a callous campaign to eliminate these yards and the services they provided. The first step was to force these traders to take all their supplies from the Ringsend Coal Depot. Then the screw was tightened by a series of petty regulations. Bellmen arriving at the yard at 8 a.m. are now allowed to load until 9.30 a.m. In winter to secure a place in the queue, bellmen had to be in the yard at 5 a.m.

Laws of Monopoly

The laws of monopoly indicate that when Tedcastle and its four partners have wiped out small traders that, in turn, Tedcastle McCormick must take over its four partners. But Tedcastle McCormick are now selling themselves to the oil monopolies. Can any Irish family expect cheap domestic heat from the coal cum oil barons?

Legions of the Rearguard

Four other groups (not shown on the chart), deserve mention because of their powerful influence.

1. Arran Energy. This company acts as the main agent for British interests as distinct from American interests in the exploitation of Irish oil and gas. British Petroleum holds 60% of its shares. The frontman in Ireland is Stephen O'Flaherty, the millionaire. But the company is also linked to the Coal Cartel through another director James J. Stafford, who among his 23 directorships boasts Coal Distributors Ltd.

2. Stokes Kennedy Crowley (SKC). Another important oil company is the Irish Exploration Co. This is a front for the powerful Weeks Corporation of the US. Lurking as shareholders in the background of this group is the leading accountancy firm of Stokes Kennedy Crowley. This firm appears like a bad penny, wherever monopoly capital has a difficult job on hand in Ireland. SKC are the second largest accountancy firm in Ireland. Their top eight clients have between them assets of

£35m. SKC were present at the deathbed of Goodbody's Ltd., Clara, Co. Offaly, as liquidators. They were also liquidators for First National City Bank at Irish University Press. As well as being involved in the Irish Exploration Co., they are also accountants for both Cement Roadstone and the ESB whose interests would clash on any serious challenge by the ESB to the oil slicks.

3. For many years now the so-called *Co-operative Movement* has been in the hands of finance capital. The degeneration of Horace Plunkett's movement is shown by the decision of the IAOS to act as co-ordinating body for the Irish co-ops, who have set up a petroleum royalty company at the invitation of the giant Kissinger Petroleum Corporation. Needless to say, none of the 100,000 transitional small farmers stand to gain a penny from this adventure.

4. *The Irish Petroleum Exploration Group,* which is the lobby group of the Confederation of Irish Industry is prominent in agitating for the miserable services industries which are all the oil cartels offer to Ireland.

Summary

The Irish oil slicks dealt with above are only the tip of the iceberg. An examination of the shareholders in Appendix 1 shows that a large segment of Irish capital is involved in preparing the sell-out of Irish oil and gas.

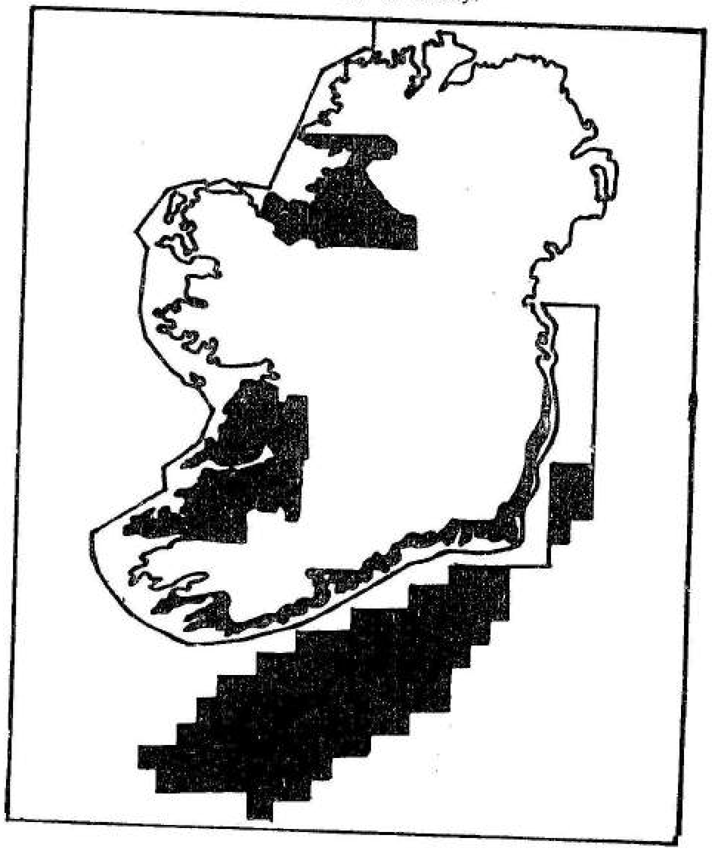
Due to the interlock of equity ownership of institutional and native finance capital with shareholdings in petroleum royalty companies it emerges that the fortunes of the larger part of big scale 'Irish' capital is now tied to the band-wagon of the international oil monopolies.

If we take the issued share capital of the Irish Stock Exchange as being representative of Irish big-scale capital and we take further the shareholding of the 50 – 75 individuals who are directly linked to petroleum royalty companies and who own 25% of the capital invested in them, we can make an estimate as fellows –

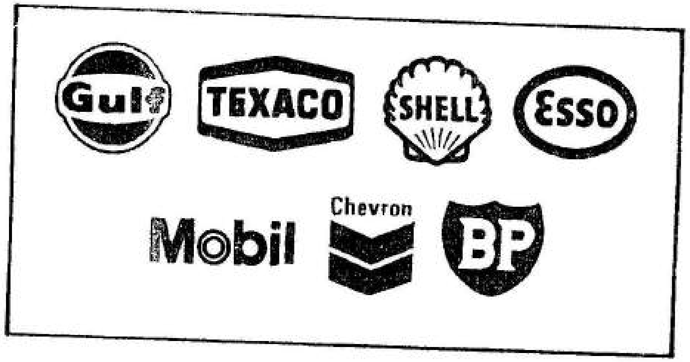
The penetration of Irish capital into petroleum royalty companies means that an estimated 44% of the capital of the Irish Stock Exchange is being gambled on Irish oil and gas being left largely in the private sector.

This does not mean that the oil cartels and their Irish backers would seriously oppose even a 51% State Equity Participation. As J.Paul Lyet, chief executive of Sperry Rand Corporation remarked on the question of a multi-national dealing with national Governments and their resources, "35% of something is a lot better than 100% of nothing."

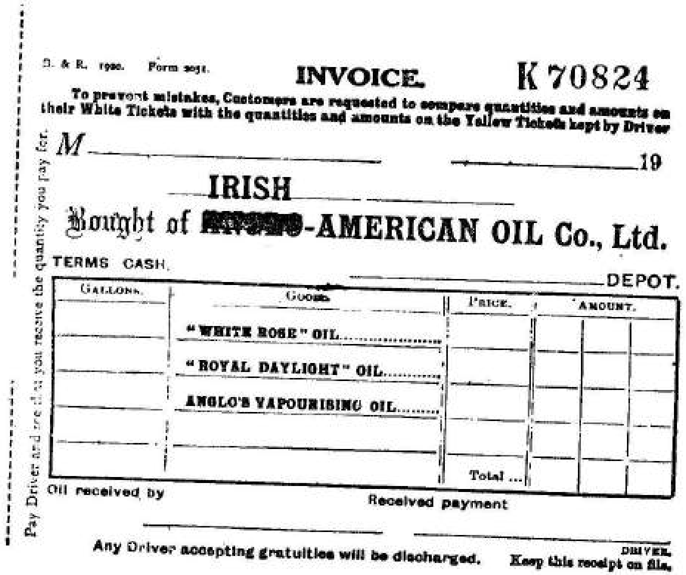
Map showing Marathon's concessions for 1975-80 which includes a coastal strip stretching from Bray to Bantry.



Above: Some of the guises under which Ireland was exploited as a consumer of oil.
Below: The trademarks of the notorious Seven Sisters. All but two – Gulf and Mobil – are actively engaged in exploiting Ireland as a producer of oil.



From 1899 Standard Oil New Jersey operated in Ireland under the name Anglo-American Oil. In 1922 the name was wrapped in 'green-flag nationalism' and became Irish American Oil. To the delight of Fianna Fail this finally became Esso Petroleum Co. (Ireland) Ltd.



D. & R. 1920. Form 2031.

INVOICE. K 70824

To prevent mistakes, Customers are requested to compare quantities and amounts on their White Tickets with the quantities and amounts on the Yellow Tickets kept by Driver

M.________________ ________19

IRISH

Bought of [redacted]-AMERICAN OIL Co., Ltd.

TERMS CASH. ________DEPOT.

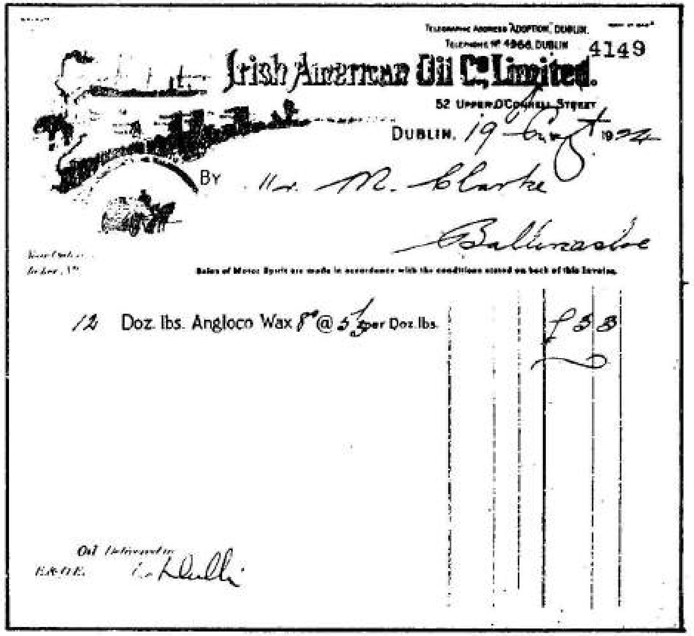
GALLONS.	GOODS.	PRICE.	AMOUNT.		
	"WHITE ROSE" OIL........				
	"ROYAL DAYLIGHT" OIL........				
	ANGLO'S VAPOURISING OIL........				
		Total ...			

Oil received by Received payment

________________ ________________ DRIVER.

Any Driver accepting gratuities will be discharged. Keep this receipt on file.

Pay Driver and see that you receive the quantity you pay for.



TELEGRAPHIC ADDRESS "ADOPTION," DUBLIN.
TELEPHONE Nº 4966, DUBLIN 4149

Irish American Oil Cº Limited.

52 UPPER O'CONNELL STREET

DUBLIN, 19 Augt 1924

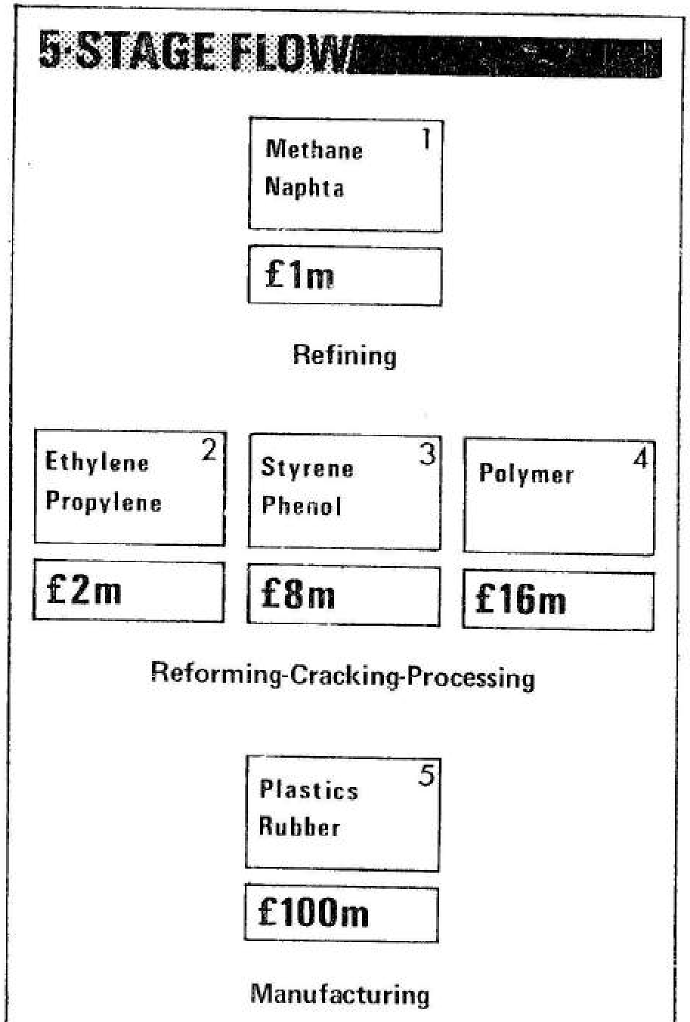
BY Mr. M. Clarke

Ballinasloe

Sales of Motor Spirit are made in accordance with the conditions stated on back of this Invoice.

12 Doz. lbs. Angloco Wax 8" @ 5/3 per Doz. lbs. £3 3

Oil Delivered in
E.&O.E.



Oil and gas worth £1 million at the refining stage increases in value to £100 millions at the finished product stage. The number of manufacturing jobs increases accordingly.

6. THE ROCKEFELLERS' COUNTER-REVOLUTION

The industrial revolution in England was only possible because machinery could be applied under huge input of power. Power, which provides heat, pressure or force was readily available through steam from England's priceless mineral, coal.

Ireland had no industrial revolution. Her economy was left in the hands of traders and small merchants, while her farmers supplied England's thriving cities with cheap food. Politics were backward because no powerful urban industrial working class could emerge. James Connolly stated flatly that it was not the Act of Union, but the lack of a single raw material, coal, which held back Irish industry and therefore the development of progressive politics.

Today, Ireland in hydrocarbons (oil and gas) has an energy source immensely more valuable than coal. Not only is oil and gas a source of power, but also the basic feedstock for that most advanced of modern industries – the petro-chemicals industry.

Any plan for the transformation of the Irish economy must therefore pull together the two basic uses of oil and gas. The twin pillars that will support this plan must be kept always in view. Oil and gas represent –

(a) Energy and (b) Petrochemical Feedstock.

A General Plan for Hydrocarbons

In order to transform the Irish economy, oil and gas must be integrated into a general economic plan First let us make a simple hypothesis for hydrocarbon development.

The basic hypothesis means that at each state of hydrocarbon handling full value must be extracted from oil and gas. There are five stages.

1. *Production.* The production of oil from the technology to capital expenditure is well within the capacity of the ESB.

It will also mean the development of Irish engineering and maritime industries.

2. *Refining*. This will develop new technical and chemical skills and personnel. Whitegate must be taken into the hands of the State and further refineries built by a State refinery corporation.
3. *Energy*. The Electricity Supply Board must have full powers to develop the energy potential of oil and gas. This will mean cheap domestic light and heating and the driving power for the vast new petrochemicals and consumer plants.
4. *Petrochemicals*. Nitrigin Eireann must be allowed to develop this most advanced of modern industries to provide basic compounds and feedstock for industry.
5. *Consumer Industry*. These compounds are the basis for an infinite number of consumer goods used by our people. These large plants will need to be run by a variety of State corporations. The flow from sea to shop is shown in the chart.

The Oil Companies' Opposition

It is clearly logical that this movement of oil and gas from sea to shop in a planned fashion is in the interests of all our people. At each stage new jobs will be created. At each stage new skills will be developed. The surplus wealth would transform the living conditions of all our people. But the oil companies have already set their faces firmly against this industrial revolution. This is not just speculation.

First, there is ample evidence that the Electricity Supply Board is being held back from oil production planning with the connivance of some of its senior engineers*.

Second, opposition to Nitrigin Eireann is being organised by a small cartel of Irish plastics subsidiaries on the instructions of their foreign parent companies.

*Even the relative 'crumbs' are denied to the ESB. The contract for the Kinsale pipeline was awarded to the British Gas Corporation in 1975.

Energy: The ESB Dilemma

Electricity is vital to modern Ireland. Electricity drives the motor of industry, lights our homes and streets, heats our rooms and cooks our food. Cheap electricity is essential to an Irish industrial revolution.

But electricity is no longer cheap. Oil makes electricity And oil has to be imported at prices fixed by the oil cartels.

The ESB is responsible for Ireland's energy supply. Despite propaganda by private enterprise the ESB has a proud record since 1927. The dedication and skill of its workers is respected throughout the world. Economic textbooks pay tribute to the ingenuity which for example the ESB and Bord na Mona brought to the problem of producing electricity from turf.*

But today native sources can only supply 35% of our energy needs. By 1980 80% of electricity will be made from imported oil. By 1980 we will be totally dependent on outsiders for electricity – unless another native energy source is found.

Such a source has been found – oil and gas. Yet apart from a partial use of the Kinsale gas the ESB at first glance appears to have no plans to develop offshore oil and gas. Involvement in such a valuable energy source seems dictated by the logic of the ESB's history since 1927. Yet the State Energy Corporation remains silent. Why?

The Nuclear Distractor

Far from getting involved in oil and gas, the ESB has embarked on a dangerous distraction. At Carnsore Point in Wexford, it plans to embark on the building of a nuclear reactor. This diversion of the ESB from an Irish energy source towards an American controlled power source has been dictated by three pressure groups.

1. The petroleum royalty lobby, who wish to distract the ESB from state expansion into Irish oil and gas, have made their views known to the Irish Government, which in turn let the ESB to "understand" it should not go ahead and develop Irish oil and gas.

*See J.H. Patterson, *Land Work and Resources* (London) 1972 pp118-19

2. The EEC Commission, which insists that its member states shall in the future be 50% dependent on nuclear reactors for energy. In subservience to the EEC the Irish Government in 1974 set up a rubber stamp distraction called the Nuclear Energy Council, whose function is to propagandise for nuclear power.

3. A small and ambitious group of ESB engineers, who aspire to further their career by cornering off a "nuclear niche" for themselves in the ESB. This group having travelled abroad to study nuclear technology absorbed a 'hardnosed' American pragmatism, which easily filled the vacuum caused by this group's lack of any public service ideology. The existence of such a group of technocrats is even admitted by *Business & Finance.**

The Carnsore Point Project

The Carnsore Point project has already shown the characteristics of the Gulf Oil operation. Although the public relations exercise carried out in White's Hotel in July 1974, was frank and responsible in comparison with Gulf's smokescreens, the occasion revealed yet another pathetic colonial spectacle.

The ESB's efforts to sell the Carnsore project to the people of Wexford reveals a group of Irishmen persuading other Irishmen to embark on a stupid and dangerous project in the interest of foreign capital. On one side of the platform a group of state engineers, promoted the interests of private enterprise. Pretending to be nuclear technologists, this group knows full well that all the nuclear technology would have to be imported most likely from the Westing House Corporation. Like the Irish gombeens who sold out to become managers, these engineers were selling a powerful State corporation to foreign capital in return for enhances management status.

Supporting them was an unlikely coalition of local gombeens, traders and the Wexford Trades Council. While correctly pointing out that Wexford needed jobs, the Wexford Trades Council yet missed the point. Why barter Wexford lives for a

*See Lloyd Smythe "The energy crux – should we go nuclear?" *Business and Finance,* June, 1974.

hundred permanent jobs, when Irish oil and gas could give Wexford a thousand jobs in fertilisers or plastics?

The opposition too missed the point. A heterogenious collection of middle class radicals, it ranged from eccentric landowners, through pollution fanatics across to the concerned citizens who see safety as the most important factor.

Both the trade unions and the safety lobby could come together and ask one important question. Why was the ESB in Wexford and not on a drilling rig at Kinsale?

Why Carnsore is wrong

The real objections to a nuclear reactor at Carnsore Point should be based not only on saving Irish lives, but on making these lives richer and more rewarding. There are two aspects, therefore, of concern to the Irish working class – the safety factor and the industrial factor.

The Safety Factor

The ESB plans to build a Light Water Reactor at Carnsore Point. There are two particular objections on safety grounds to this type of Reactor; (a) the reliability of its Emergency Core Cooling System is unknown. It has never been fully tested anywhere in the world. Only a disaster can give a negative result of its reliability; (b) the disposal of the radioactive waste from a Nuclear Reactor has not been solved. The waste from Carnsore is a big radioactive threat in a small country.

Apart from these major points there is the frightening reports which the Atomic Energy Commission in the United States commissioned and then tried to suppress. The report WASH – 740, in a 1957 survey showed that a reactor accident could cause 3,400 deaths. Shocked by this high figure, the AEC commissioned a second study in '64 - '65. The report which predicted 45,000 deaths and contamination of an area "the size of the State of Pennsylvania" was suppressed and only published under threat of law suit in 1973.

The British Government was so shocked by the dangers of the American system, which the ESB intends to use that it has decided to develop its own Reactors, even at the cost of lengthy delays. But there is no such thing as a safe and reliable Nuclear Reactor.*

The Industrial Factor

The most serious objection against a Nuclear Reactor is that it would place us in the hands of American nuclear monopolies, just as it seemed we could free ourselves from the American oil monopolies. This dependence is caused by three factors:–

1. We would be completely dependent on a single feedstock-enriched plunonium. America is virtually the sole supplier.
2. All the technology involved from the installation of the plant to repairing it after a blowdown would have to be imported. Already the ubiquitous Westing House Corporation has a representative in Dublin, who is willing to hold the hand of the ESB engineers, preparatory to making them redundant.
3. The disposal of waste plutonium, which is costly would be done at a windscale in England. We would therefore be hiring our dirt from the Americans and paying the British to sweep it away.

Expansion of the ESB

It is not too late for the workers of the ESB to stop the dangerous policies of its nuclear lobby. Other engineers within the ESB have the competence to provide an alternative policy. The true policy needed by the people of Ireland is for the ESB to demand exclusive status as the State corporation responsible for the exploration and production of Irish oil and gas.

Only a state monopoly can deal with monopoly capitalism. The ESB, experienced in longterm capital expenditure programmes, with thousands of skilled men at its disposal is quite

*For the most comprehensive case against light water reactors see *The Select Committee on Science and Technology, Appendices to the Minutes of Evidence*, House of Commons, January 30, 1974. See also Walter Patterson, *Nuclear Reactors*, Pitman Press London, 1973.

capable of taking over the production of Irish hydrocarbon wealth. It is an open secret that the ESB had done many of the costings and studies necessary for such a project. Nothing now holds it back except the petroleum royalty lobby and the Government they control.

But these Irish oil slicks have now the thankless task of explaining to the workers of the ESB how the men who literally moved mountains at Turlough Hill are not fit to sink a drill bit into the seabed.

A State Hydrocarbons Plan

To meet the opposition and propaganda of the oil companies in their battle against an integrated oil and petrochemicals – consumer goods plan, it is necessary to put the true facts in the possession of the Irish people and especially the technicians and workers of the ESB and Nitrigin Eireann.

The data for a hypothetical model of the industrial potential of Irish oil and gas used in this chapter is therefore based exclusively on the tried and tested practice of existing hydrocarbon and petrochemical industries.

For the purpose of this exercise we can assume a petroleum reserve of 1,000 million tons of oil or its gas equivalent. How do we arrive at this estimate?

Firstly, taking natural gas on the basis of the estimate as used by the oil industry, the 25 million million cubic feet of natural gas in Irish waters are equal to 55 million tons of oil.

Secondly, as oil and gas tend to be found together, there is a world-wide ratio for oil and gas expressed in the formula 1.988 oil: 1.0 gas.

Using this formula there should be 1,103 million tons of oil in Irish waters. However, since it may be true that this world ratio is high for the European Continental Shelf, we can halve the formula to get a conservative estimate. This conservative figure still gives us 1,000 million tons of oil in Irish waters. This compares very conservatively with Dr. Sean O'Donnell's estimate of 10 billion tons.

Therefore, we have now established that the oil and gas are there in sufficient quantities to provide the power for energy and the petrochemical feedstock for industry. The material base exists.

The State Hydrocarbons Corporation

The Irish people are now entering a struggle with the international oil monopolies, the Irish oil bourgeoisie and the three political parties which they control. At stake is the wealth and happiness of the working class people of Ireland. A clear policy to guide this struggle is urgently required. Sinn Fein, the Workers' Party has such a policy. It is simple and direct. Sinn Fein urges all organisations who represent democratic and popular causes to unite behind one demand: a State Hydrocarbons Corporation to be set up to take over the development of our oil and gas resources from seabed to the factory.

The State Hydrocarbons Corporation should be charged with the following tasks: to develop and create information on the geology of our offshore areas, to explore for, raise up and refine the oil and gas discovered. The Corporation will further organise the use of the energy resources which have been won. It will construct a massive petrochemical industry with the social object of eliminating unemployment and within a specified period to quadruple the real standard of living of the great mass of the Irish people. Lastly it will encourage and foster the hundreds of consumer industries which arise from petrochemical feedstock.

The material base for the state hydrocarbons corporation exists on the seabed of Ireland. Its workers are available in the great state companies of the ESB, Nitrigin Eireann and Bord na Mona. Its scientists and engineers exist in the Institute for Industrial Research and Standards and in the Universities and Colleges of Technology of the Republic.

Only the State can carry out a full development of oil and gas, because only the State could raise the large sums necessary for investment in the hiring of plant and technology. Such huge sums are usually raised by international banking consortia

and could certainly not be raised by the so-called Irish oil companies.

Below we give some broad indications of how the State could raise the necessary capital and the investment level required.

HYPOTHETICAL INVESTMENT COSTS FOR FIRST STAGE OF STATE INDUSTRY

Oilfield producing 100,000 barrels per day.

1. Exploration: Seismic and Drilling – £16.5m.
2. Oil Production: Oilfield Development using Northsea-Formula of £1,500 per 1 barrel per day capacity £150m.
3. Refinery: Refinery of 100,000 b.p.d. capacity £120m

This oilfield, producing a volume of oil approximately equal to Ireland's annual oil consumption would therefore require a total capital cost of £286.5m. This sum is well within State capital resources. Given the short period of production required to raise the revenues, the State Hydrocarbons Corporation could draw on national surplus value for the first six years of pre-production in the sure knowledge that the £286.5m could be paid off no more than two years after full production, had started.

Assuming a development period of six years an annual investment of £47.7m would be required. The bulk of this could be raised from the Central Exchequer and put directly into oil development.*

The State at present spends about £30m per annum on industrial grants to foreign firms. The industrial spinoff from oil and gas would make grants to foreign industry totally unnecessary.

*Exchequer receipts – (excluding borrowing) in 1973/74 were £758m. Capital expenditure (e.g. on infrastructure, economic development, investment etc.) was £203.5m. an increase of £38.4m. on the previous financial year.

Next, if the mines were nationalised, and Navan, with a State smelter brought into full production, the new revenues in the hands of the State Mining Corporation could be loaned to the State Hydrocarbons Corporation. These loans could ultimately amply repay the mining industry by giving it the cheap energy it consumes in vast quantities.

Lastly, as recommended by the Irish Congress of Trade Unions, the banks can be nationalised. Not alone would their profits be available for investment in oil production (in 1974 profits will be in the region of £35m.) but their assets which include the savings of the Irish people could be loaned to the oilfield with great benefit to the saving investors. Importation of the advance machinery (which would be necessary in the early years before an advanced Irish engineering industry had developed) could be adequately financed from our excessively high external reserves (£442m. in September 1973).

The oil cartels propagate the myth that the capital required is too large or not available. Availability of capital was never a problem in Ireland even as far back as the early part of the last century. But those inimical to the building of an advanced economy have persisted in the myth. The latest to tell the big lie is Justin Keating, who has consistently tried to persuade Irish workers that the capital resources necessary to develop Irish oil and gas are not available.

They are certainly not available if the nationalisation of banks and mines is not carried. Instead of this logical step, Keating would have us in debt to the international banks who control the oil companies operating in Ireland. Keating pretends that he will develop a petrochemicals industry. He will be allowed to develop only a showpiece industry, in debt to foreign banks, under pressure from the oil cartels, subsidiaries in Ireland and under constant propaganda fire from the newspapers of the oil gombeens. Having insured it could not make a profit they would then point to it as a failure of State industry. Anyone who doubts this has only to look at how Nitrigin Eireann is held back from taking over the entire Irish fertiliser market.

The only sacrifices that would have to be made to raise the

necessary capital should be made by Irish tycoons and not by the working people. This means diversion of profits and dividends to the State Hydrocarbons Corporation. At this point in time and to the best extent of human knowledge such a Corporation holds the key to an industrial development which would free the Irish working class from the penury and struggle of their working day.

A STATE OIL FLOW

State Production Co.: ESB.
Marine, engineering, maritime jobs, technical jobs, state protection and trade union conditions, development of northern engineering industry.

State Services Group: CIE.
Supply and Service jobs. Transport and communications.

State Port Authority: New Body.
Planned development of Harbours, Warehousing, Supply and Service jobs. Protection of Amenities, Pollution Control.

State Refining Co: Nitrigin Eireann:
Development of Petro-chemicals industry. Thousands of jobs in Technical and Chemical spin-off, linking to Universities and Higher Technical Colleges.

State Plastics Industry: Nitrigin Eireann:
Hundreds of factories sited to meet local needs, e.g. West and North.

State Energy Corporation: ESB, CIE, Bord na Mona.
Cheap domestic electricity, gas. Cheap energy for Industry. Development of Free Public Transport System.

Output from Petrochemicals Industry

We can now assume that on a minimum estimate of our oil and gas reserves, an annual estimate of 15 million tons of oil (or a daily output of 287,000 barrels per day) would be possible for 66 years.

The Irish projected 287,000 b.p.d. would involve an estimate (including the raising and transporting by pipeline) of £430.5 million. Operating costs at 7.5p per barrel would amount to £7,856,625 in a year of full production. In summary then, the cost of landing 15 million tons or 287,000 b.p.d. is as follows:

ANNUAL COSTS OF CRUDE OIL PRODUCTION

Constant Costs	£21,525,000
Operating Costs	7,857,000
	£29,382,000

So far the annual cost is estimated over £29m. Now, valuing this at the current price of oil being paid by the ESB, which is £33 per ton, we find that the money coming in from this crude oil production would reach £495m for one year.

But as the value per ton quoted is not that of crude oil, but of refined oil, we must now subtract the refining costs. First we must estimate these costs.

COSTS OF REFINING OF CRUDE OIL

Constant Costs	£230m.
(for 2/3 refineries with throughput of 15 tons p.a.	
Annual Operating Costs	£24m.
Annual Writeoff	£11.5m
Total Costs –	£35.5m.

Profit and Loss

The table below now summarises the annual surplus for producing 15 million tons of Irish oil.

TOTAL COST		TOTAL PROFIT OR SURPLUS	
Production	£29.382m	Revenue	£495m
Refining	£35.5m	Subtract Costs	64.89m
Total Costs	£64.882m	Surplus	£430m.

A Payoff in one year

These conservative figures nail the big lie of the oil companies' propagandists, that we could not afford to produce ourselves.

Consider these facts:

1. In the first year all investment in the oilfields would be paid off.
2. In the first six months of the next year our refinery costs would be paid off.
3. At the end of eighteen months all costs would be recovered. Then we would be generating what monopoly capital calls "profit" at the rate of £430m per annum.

But under State control this £430m. would not go into the pockets of U.S. monopoly capital. The £430m. would be used to finance the development of the whole Irish economy, the raising of living standards and above all the development of the integrated petrochemicals industry dealt with in the next chapter.

The State Petrochemicals Industry

The real value of oil and gas only begins after the oil has left the refinery. The bulk of the 15m tons of oil should of course be diverted to a state petrochemicals industry.

As is shown in the petrochemical flow chart Irish refineries could produce a wide and varied range of basic feedstock chemical for an Irish chemicals industry. One of the most important of these products is naphta, which can be cracked to produce ethylene, propylene, butadilene, fuel oil, benzine and xylene, which among other things can produce terephtalic acid.

A State Petrochemical Based Industry

Refining	Chemical Industry	Consumer Industry
Fuel Gas	Methanol (Polyesters)	Resins, electrical appliances.
Liquified Petroleum	Acetylene(Polyvinyl)	
Gas	(Polyacrylics)	Lamenates, fibres.
Naphta	Ethylene (Polyethylene)	cotton/wool blends.
Petrol	Propylene (Polyurethenes)	
Kerosene		plastic,film sheets,
Light Fuel Oil		bottles, detergents.
Heavy Fuel Oil		
Paraffin Wax		resins, foams, tyres.
Asphalt		clothing, car parts.
Petroleum Coke.		

Polyester

One example from the man-made fibres industry. Polyester fibre is made from terephtalic acid and ethylene glycol, which are mixed. As the weight of the product remains constant during this transformation we can put exact figures on the industrial value of this process.

Polyester yarn's current market value is £1,219 per ton.

Now, if for example 59% of the State's refinery output was transformed into polyester yarn, the value realised would be £9,142.5m. So where the oil companies would merely export crude oil and gas, a State refinery and the petrochemicals industry could add a value many times that of the value of the crude raw material.

Double the GNP

This process would add £3,200m per annum to the Gross National Product. This would more than *double* the GNP.

Ireland therefore, with full State control, could double its GNP just from petrochemicals alone without even taking into account the usage of the remaining 50% of our annual refinery output.

From Petrochemicals to Plastics

Important as oil and gas are as a source of energy, their value fades beside their use as a feedstock for an Irish petrochemicals industry. Such a use would transform the Irish economy, make Ireland one of the most developed nations of the world. We could abolish unemployment, poverty and emigration and build a Republic which would meet the dream of past generations and meet the needs of future generations.

The chemistry of the basic building blocks of oil and gas, hydrocarbon, is known as organic chemistry. By juggling the chemistry of carbon and its compound, chemists have discovered an almost infinite field of potential industrial products. The basic raw materials for this most modern of industries is oil and gas. Some of the final products are listed below.

Kitchen work-surfaces. Plastic mouldings; bowls, bins, ball-point pens. Vinyl tiles. PVC raincoats, drains, pipes. Acrylic covers for furniture. Gramophone records. Synthetic leather. Shoes, watchstraps. Moulded Polypropylene furniture. Vinyl wallpapers. PVC roofsheeting. Plastic packaging. Food containers. Gable sheeting. Electronic installation. Foams. Synthetic rubbers. Motor car tyres. Auto parts. Lacquers. Adhesives. Textile and paper finishes. Resins used in industry,**such** as plywood, chipboard. Man-made fibres. Almost all modern clothing from polyesters. Carpets, stockings, tights, photographic film, fertilisers, organic chemicals. Drugs. Medical and surgical chemicals, etc.

It is clear from the above list that most of the major growth in industries, are based on petrochemicals in the 20th century.

Although the petrochemical industry began in 1870, with John Wesley Hyatt's discovery of celluloid and later developments such as photographic film, bakelite and synthetic polymen, not until 1930 was the plastics industry born.

By the end of the Thirties polyester and polyethylene had been discovered. The great takeoff came in the 1940s with nylon and manmade textiles. But it wasn't until 1948 that the first major petrochemical-based industry came to exploit Irish labour. This was the British monopoly combine Courtaulds, who established a plant at Carrickfergus, Co. Antrim.

Importance of Plastics

Since 1930, plastics has been one of the fastest growth products. This growth is due to its massive versatility in replacing natural products and manufactured products from wood to copper piping.

Today the OECD reckon that there is a significant relationship between a country's use of plastics and the growth rate of its GNP. But because the oil monopolies naturally control the structure of the plastics industry, its full potential is not being realised in Europe.

This is even more true of Ireland; whose only experience has been at the receiving end of a small group of British monopolies. The British industry is completely carved up between Shell, ICI and B.P. For example Shell control 20% of Irish and British polystyrene supplies and 37% of polypropylene. ICI's control is of the same magnititude.

Now Ireland can make these vital compounds herself. This would free her from dependence on these monopolies.

How Nitrigin Eireann will be held back

The development of an Irish plastics industry will be the immediate responsibility of Nitrigin Eireann. The oil monopolies will oppose this in the interest of maintaining their subsidiaries and profits intact. They have no choice. Ireland's existing synthetic textile and plastics industries are completely dependent on monopoly suppliers in Britain, which in turn through Shell, B.P. and ICI have significant control of basic gas and oil reserves.

For example, ICI owns 26% of the North Sea Ninian oil field and is also a monopoly supplier of petrochemical feedstock to the Irish market. An Irish plastics industry would therefore cut deeply into ICI's profits. In Shell's case the same would occur, but Shell, through its Irish political connections and its front oil companies, is able to do something immediately to protect its interests.

The neo-colonial Plastics Industry

The structure of the so-called Irish Plastics industry under British monopoly control, since it evolved during the 1960s has been weak.

Although it employs 6,900 in approximately 150 firms, the tendency towards monopoly is shown by the fact that more than half the output is accounted for by ten companies.

These ten so-called "Irish" companies are controlled by British and Continental capital. The presence of Gouldings and Guinness of course ensure that they will work to obstruct a genuine Irish plastics industry as they are of course tied in to the oil companies as well.

The colonial Irish Plastics industry is therefore, as we see from Wavin, linked into a long chain that finishes with Royal Dutch Shell, which through British Petroleum is active exploiting Irish oil and gas. Each of the others has a direct interest both in robbing Irish oil and in obstructing development of an Irish petrochemicals industry.

The Guinness Co., which has monopoly control of Irish

THE TEN LARGEST FIRMS IN IRISH PLASTICS

NAME	PRODUCT	OWNED BY
Wavin Pipes Ltd.	PVC Pipes	Royal Dutch Shell,
Irish Plastic Packaging	Plastic Film	Metal Box Co. UK
Mayco Ltd. Ballina	Plastic Toys	Irish interests.
Irish Industrial Mouldings	Mouldings	A.Guinness,London.
Star Plastics	Containers	A.Guinness,London.
Goulding Plastics	Plastic/Film	Fitzwilton.
O'Brien Plastics	Pipes	Philips Petroleum Co.
Erin Peat Products	Plastic	Keyes Fibre Co.USA.
Greenore Plastics	Sheeting	Austrian interests.
Gernord Ltd.	Floor tiles.	Gerland Chemicals, France.

brewing and is one of Europe's largest plastic converters controls two companies. One can imagine the political pressure it will bring to bear against the Nitrigin Eireann development. Philips Petroleum, recently involved in the Watergate scandal, control oil reserves in the North Sea and bought out the notorious TACA supporter, William O'Brien, Plastics, Cork, one of the most substantial subscribers to Fianna Fail election funds.

Goulding Plastics is of course part of the Fitzwilton stable. Not only is Tony O'Reilly the director of Forest Oil, but of course as President of H.J. Heinz shares a boardroom with a director of the Mobile Oil Co. USA.

This interlock of oil monopoly, their petrochemical subsidiaries and Irish "plastic" gombeens has a vested interest in maintaining a colonial plastics industry, based on the exploitation of Irish labour. Using its ramified political and industrial connections, it will of course resist any attempt to set up the State Plastics Industry that would free the Irish market from

dependence on outside suppliers and allow an industrial take-off.

The so-called "Irish" Plastics Industry, run by these miserable profiteers is so primitive that its activities are confined to such simple activities as moulding, blowing or extruding plastics into simple sheets such as pipes.

Their total dependence on the international cartels for supplies was underlined during the recent oil crisis, when shortages threatened to bring layoffs in the so-called Irish plastics industry, together with synthetic fibre industries, which are also dependent on the petrochemical monopolies.

The primitive and neo-colonial nature of this Irish excuse for a Plastics industry is shown by the skill content of Irish workers in this sector, compared with the skill level of American workers in the same industry. The Irish workers have less skills because their managers and bosses are not engaged in complex and valuable processes.

LEVEL OF SKILLS – COMPARATIVE TABLE

	IRELAND	UNITED STATES
Skilled	20%	60%
Technicians	7%	14%
Semi-Skilled	49%	12%
Unskilled	24%	14%
	100%	100%

The oil monopolies control the petrochemical monopolies. The Tony O'Reillys are locked into both through Irish subsidiaries. Faced with the prospect that Ireland could free herself both from the oil monopolies and the petrochemical monopolies, will Tony O'Reilly support this fight for freedom that would hurt his pocket?

We confidently predict that he and his friends will, in public, smear a State industry as socialist nonsense. In private they will talk to the Cosgraves, the Beltons and the Lenihans, who will in turn talk to Justin Keating.

Petromin: The Saudi Arabian Example

The Electricity Supply Board is the proper agency to produce oil and gas and secure the energy requirements of the nation.

Nitrigin Eireann is the proper agency to develop an Irish petrochemicals industry.

But to realise the full industrial potential of Irish oil and gas the activities of these two State corporations must be integrated into a full industrial programme. This involves a State Hydrocarbons Corporation, responsible for implementing a National Hydrocarbons Plan covering all aspects of the development of employment and use of the surplus from gas and oil.

The example of the Saudi-Arabian government illustrate the Irish possibilities for economic development. In Saudi Arabia the State-owned company, Petromin is responsible for all oil production and hydrocarbon development. The Plan involves the harnessing of thousands of millions of pounds to use oil and gas to boost the State's GNP which in 1973 was slightly less than Ireland's although it had twice as many people to share it between. Instead of inviting foreign subsidiaries to set up unstable factories, Saudi Arabia was investing in hydrocarbon industrial development together with industries from aluminium and copper. This is simply because petro-chemical and mineral based industry give most added value.

Petromin has now 47 major projects under consideration, including –

1. A Natural Gas processing and liquidification system. (cost £1,250m).
2. Ten liquified Natural Gas Plants.
3. A gas production steel mill.
4. A relay system for electrical energy to the West, where there are deposits of copper and phosphates.

Petromin's Petrochemical plan involves –

Four ethylene plants (the raw material of plastics) each costing £200m.

A methanol plant (the basis of resins and synthetic textiles) at a cost of £105m.

A Natural Gas Nitrigin plant, costing £40m, which would produce ammonia and ūrea in similar quantities at Nitrigin Eireann's Marina Point plant.

The Saudi Arabian Government has commissioned nine resources studies to integrate its hydrocarbon resources with its chemicals, fertilisers and mineral industries, "To see what repercussions, development in one sector has on the other."

The Irish Government has done none of these things. Despite the existence of large copper, lead and zinc deposits. Despite the fact that Ireland possesses the equivalent of half the hydrocarbon reserves of Saudi Arabia – the thinking in Irish Government and business circles is as feudal and backward as the Arab states that exist in their imaginations. In real life Arab states with the same GNP as ours, similar oil and gas reserves and proportionate populations have decided to integrate their oil and gas into the oilfire industrial economy of their country. This is done under State control because bitter experience has shown that private enterprise will not do the task.

7. THE ROCKEFELLERS: OUR STATE GUESTS

The uproar over Irish mining taught a great lesson to international monopoly capital. It learned that it was not good politics to rob Irish minerals without enlisting the support of the Irish Government. This time the robbery has the active support of the Irish ruling class.

What the oil companies want from Justin Keating is a policy of State Equity Participation. In brief, this means that the Irish Government would behave like any petroleum royalty company. Although it would be the largest royalty company, it would still settle for a share in the profits – a shareholder, not an owner.*

The Irish Government would make no attempt as minority shareholder to set up the ESB and Nitrigin Eireann as oil production and petrochemical companies. As minority shareholder, such an attempt would be doomed to failure.

The oil companies will therefore give the Irish Government a minority shareholding. To cover up this sell-out of the Irish industrial revolution, they will encourage the Government to set up bodies such as a State Hydrocarbon Commission. Such bodies run by the Irish Oil gombeens, like the National Energy Council will function as gigantic confidence tricks to cover up the fact that the State is not in control.

This predicted strategy by the oil monopolies is not mere speculation. The new strategy was spelled out clearly in *Business & Finance*, 20th December 1973. Mr. John Burke, Director of the Allied Irish Investment Bank, made a nine-point demand, formulated in the guise of an article. These nine points are clearly instructions from the Irish gombeens and their foreign masters to be carried out by Justin Keating.

*For a clear admission that the cartels want State equity participation see Mr. Justin Keating, *The Irish Times*, April 4, 1974. "... indeed with ongoing policy all around the world, the companies are understanding now that they must accept State participation in a way that they didn't in the first."

Rockefeller and Burke make nine demands

1. *The establishment of an Irish hydrocarbons commission.* (The function of this will be to make a policy smokescreen for the Irish oil gombeens).
2. *A national hydrocarbon company to look after the security of national energy supplies.* No mention of a petrochemical industry or Nitrigin Eireann.
3. *That the above national hydrocarbon company be structured along the lines of British Petroleum.* This will give a controlling shareholding (51%) to the Irish oil gombeens and 49% to the Irish Government which is also in the hands of the Irish oil gombeens .
4. *That the company be run on "commercial" lines.* This means geared to maximum profits for the shareholders rather than the social and economic requirements of Irish workers.
5. *That the national oil company would build all refineries* and that the Irish gombeens should either share them with the international oil monopolies or run them itself. (This means no State refinery).
6. *The national oil company should have some exclusive exploration licenses.* (This means licenses not already given out to other private oil gombeen companies).
7. *That the company be established immediately.* (That means before public opinion is aroused).
8. That there should be no interference by the Irish Government in Irish oil and gas except through the raising of revenue through taxes and royalties. (In other words take your cut and shut up).
9. "The Government should formulate its policies to encourage and support the initiative shown by Irish businessmen and industrialists to date." (The Government should help the Irish Oil gombeens in their treachery to the Irish people.)

Why the Rockefellers want a Bula

The demands made by Burke, a representative of the interests of finance capital, closely accord to the type of development desired by the oil companies. That policy in essence requires–

1. Control of the production, refining, and especially, further processing of the oil and gas. At the initial stages 50% share of the surplus is considered very desirable by the oil companies.
2. As an insurance policy against working class and anti-imperialist demands for state development, significant state equity participation is needed in the primary stages.

On the evidence afforded by Fianna Fail's record to date on resources the above formula desired by the oil cartel would readily be implemented if they were in power. Fianna Fail could promote itself as having driven a hard bargain with the cartel. On the basis of his action in giving 51% to Bula, Justin Keating, the representative of the National Coalition, while allowing himself room for some left wing posturing, is actively working to establish as reality the oil monopolies' plan for Ireland's oil and gas.

The Cartels' fail-safe

The reality of the oil cartel's negotiating position is: no matter what the state's share in the surplus may be, no matter what degree of state equity participation, the crucial factor which they are not going to cede under any circumstances is control of the utilisation of the product especially in the final stages of the production cycle.

The Conflict

There are two basic considerations to recognise in determining policy on oil and gas. Firstly there is the surplus value which can be shared between the state and monopoly capital in some ratio. As long as monopoly capital can obtain a share sufficient to pay for their investment in production costs and further exploration activities in addition to a 'reasonably' lucrative profit no conflict exists on the question of the

sharing of the surplus (oil companies normally begin their negotiations with governments by demanding a 300% to 400% return on capital – because it is 'a high risk business'!).

But conflict *does exist* with regard to the second basic consideration – control. This is the crucial factor.

Sinn Fein's policy is for a state controlled and financed development of our hydrocarbons *on behalf of the workers of the country*. The policy of the three political parties is to allow monopoly capital control of all our oil and gas with a share of the surplus for local capitalists through the 'petroleum royalty companies', and a share for the state, which, under the coalition and the Fianna Fail party, rules not in the interests of workers but in the interest of the Irish business class who have entered an alliance with international monopoly capital.

The Choice

Thus, on the matter of *control* there is only one of two choices – the policy of Sinn Fein The Workers' Party or that of Fine Gael/Labour or Fianna Fail.

Our oil and gas is either directed towards the objective of constructing an industrial base in Ireland which can free the working class and the 'transitional' farmers from their position of inferior living standards or, our oil and gas will be integrated into the international energy and petrochemical industry which operates in accordance with the conflicting objectives of securing maximum world wide profits.

The Cartels' Public Relations Plan

The beauty of state equity participation for the imperialists and their Irish friends is that it throws up a smokescreen around the naked exploitation, which, with the aid of a massive propaganda campaign through the media will be represented as in fact a pro-people policy. The basic features of this campaign will be familiar to those who have observed the propaganda of the mining companies against nationalisation of the mines. Principally the theme will consist of various versions of the scenario that the government is exploiting the big bad oil companies who take all the risks and do the exceedingl difficult job of raising the oil and put up massive amounts c money which (with the aid of the 'no capital' myth) we (th people of Ireland) could not possibly afford. Against thi policy the Irish working class must prepare for battle.

8. REPUBLICANS AND THE ROCKEFELLERS

The struggle for Irish oil has now begun. On one side are a motley collection of exploiters; the coal cartels, the gas gombeens, the petroleum pimps – all the frontmen and agents of monopoly capital in Ireland. On the other side are State Corporations which, having been brainwashed for years into thinking that profit and not service should be their aim are unsure whether to fight or not. The trade union movement in the state sector must force these state corporations to stand and fight, until Irish oil and gas are fully in the hands of the state sector and the Irish trade union movement.

The Policy of Sinn Fein – The Workers' Party

Sinn Fein rejects the sell-out policy of state equity participation and puts forward the following principles of policy:

1. That our hydrocarbons be developed in the interest of the working class, the transitional farmers and the other progressive and democratic forces in Ireland.
2. That the state raise the initial capital for the first stage of a State Hydrocarbons Development plan and that the capital be raised from internal sources without resorting to banking consortia.
3. That after the first oil/gas wells are started (e.g. Kinsale and perhaps the Kish Bank) these be used to develop the Porcupine Bight development which presents technical difficulties at the moment. The development will thus be self-financing.
4. That to the greatest extent possible the output from oil and gas production be used in Ireland to establish a solid industrial base in petrochemicals and plastics allied to mineral development under State control.
5. That the sole exclusive licence to Irish exploration be given

to the ESB, who alone have the expertise and capacity to explore and develop offshore oil and gas (in conjunction with the I.I.R.S., the Geological Survey, the Maritime Institute and other public bodies). That the ESB prepare a national marine resources plan.

6. That the Marathon and Esso oil companies be granted compensation for all expenditures incurred in exploring for Irish oil and gas and their exclusive concessions revoked and granted to the E.S.B.
7. That Nitrigin Eireann Teoranta be charged with developing a state petrochemicals to final consumer goods industry.
8. That the hydrocarbons development plan integrate a conscious policy of developing a related engineering base. In particular this plan should aim at rejuvenating, expanding and raising the technical capacity of the shipbuilding and marine engineering industries of the Six Counties. The plan would advance the interests of the workers in that industry as opposed to the interests of British monopoly capital or the fur-coat Unionists.
9. That the State Petrochemicals Industry adopt a policy of generating new industry based on the processing of its output and that it acts as a source of cheap raw materials for existing petrochemical related industries (e.g. synthetic fibres plants) both in the Republic and in Northern Ireland, and that, the benefit of this cheap source of raw materials accrue to the workers and not international capital which now dominates the industry.
10. That the vast surplus including downstream industries from Irish gas be made available to the Protestant working class of the North, to help them break their economic dependence on Great Britain so that no British Prime Minister can ever again call them spongers or practice economic blackmail.

9. THE ROCKEFELLERS' OTHER FRIENDS

We have looked at the multinational oil companies and the history of their exploitation of Ireland as a consumer of oil, and as a producer of oil. Now let us study their activities on a world scale.

The Rockefellers' early days

By 1884 John D. Rockefeller's Standard Oil Company controlled 90% of U.S. oil production and U.S. oil exports dominated the World and European markets, including Ireland. By the mid 1890's exports were bringing Rockefeller $1m. in gold every week. Monopoly capitalism had emerged even at this early stage in the oil industry. However, it did not go unchallenged as is shown by contemporary cartoons and features in the American press attacking the octopus of the standard oil monopoly.

It was however the American working class who were first to discover the true and naked brutality of the oil monopolies later experienced by the colonised peoples of many other parts of the world. In 1896 on Rockefeller's intervention, the Kentucky militia attacked a meeting of strikers in one of Rockefeller's coal mines (he had spread outside oil by then) and two workers were shot dead and fourteen were wounded.

Anti-Rockefeller feeling ran high at the beginning of this century, especially after the revelations of the "Archbold letters" which showed the Rockefeller group were buying up half of Congress to evade anti-trust laws. The U.S. government was forced to break up the Standard monopoly into Standard Oil New Jersey; Standard Oil of New York; Standard of California; Standard of Indiana; Standard Ohio; Continental and many others. However, despite this break-up the much publicised philantrophic institution, the Rockefeller Foundation, still ensured Rockefeller family predominance in the one time Standard subsidiaries.

Rockefeller domination of the world market was soon challenged, however, first by the discovery of the Russian oil-fields at Baku, dominated by the Rothschild and Nobel families. Then came the opening up of the Texas oilfields in the first decade of the century by the Mellon family, (later Gulf Oil).

The birth of Shell - B.P.

Starting as a general trading company in the Far East, Shell entered the oil trade by a contract to ship Rothschild oil from Baku in Russia. When the contract ran out this representative of British Imperialism had to obtain new oil sources in the Far East in the Dutch colonies where the Royal Dutch company was operating. Pressure to compete with Standard forced Shell and Royal Dutch to merge, which was also helped by the British Admirality to ensure a source of supply of fuel oil to the Navy. "Oil" said Admiral of the Fleet, Lord Fisher, "is the very soul of future sea fighting."

In Iran (then known as Persia) an Australian mining engineer named D'arcy secured a contract from the Shah for £20,000 in cash, £20,000 in stock as a 16% Royalty. For this he received exclusive drilling rights in all but the six northern-most provinces of Iran for 60 years. In 1912 after oil had been found the British Government bought a 56% share in Anglo Persian Oil, later named Anglo-Iranian Oil and now British Petroleum.

Returning to the American oil industry we can observe the genesis of the Texas Oil Co. which initially was based on the exploitation of the workers and oil of the Texas oilfields. This company down the years has earned a reputation for ruthless and aggressive marketing practices.

The Seven Sisters

Thus we can observe the birth of a giant – the seven "major" oil companies, otherwise known as the Seven Sisters.*

*The term was first used by Enrico Mattei, head of the Italian State Oil Company, ENI. Mattei, who had many enemies among the oil giants, was killed in mysterious circumstances in 1962.

1. Esso (Standard Oil of New Jersey) 'Exxon' in the US.
2. Royal Dutch/Shell.
3. Mobil (Standard Oil New York).
4. Gulf Oil (The Mellon family).
5. Standard Oil of California (Chevron).
6. British Petroleum.
7. Texaco (Texas Oil Company).

Before the Second World War these oil monopolies operated as a cartel; in other words, they all agreed upon their respective market shares and agreed upon a common pricing system known as the "Gulf plus" system. When after the war their formal cartel was finally broken up they were able to have the industry work the way they wanted it with "mutual understanding" over pricing policies.

The "Seven Sisters" dominate the world's oil industry outside the socialist countries. Outside of America, where their control is even more concentrated, they are responsible for something like 80% of world oil production, over 70% of world refinery capacity, and they operate either directly or indirectly through long term charter, well over 50% of the tonnage of internationally operating tankers.

Through a complex series of interconnections and interlocks the Seven Sisters are bound together not just informally as a cartel, but formally by common shareholdings and director interlocks.

The Oil Octopus

On the surface the oil monopolies follow their monopolistic practices through a series of legally permissible arrangements such as joint ventures, exchange agreements, control of competing energy sources, an occasional director interlock, industry associations, vertical integration and other similar structural and contractual arrangements. These surface legalities, however, are only part of the means by which a common strategy is followed by the oil monopolies – the tip of the iceberg.

Underneath there lurks a closely knit but strongly woven fabric of intra and inter industry relationships which are without equal in any part of the globe.

This strongly woven fabric binding the oil industry into one corporate organism is based upon joint agreement reached by "gentlemen" who think alike, business leaders whose protection of and concern for one another masks an instinct for self survival, people and institutions who thrive on reciprocal favours, men of substance interested in the preservation of wealth and power, and deft operators whose very last operational techniques would be to pursue an objective frontally or with full disclosure. In other words an important component part of that class which is the ultimate enemy of the working class both in Ireland and overseas – the Monopoly and Finance Capitalist class which derives its cohesiveness and self consciousness in the manner described here.

The Tentacles

Specifically we refer to the tapestry of the secondary director interlock, the financial institutions that nurture life in the corporate body; the trust departments of the mammoth banks that exercise voting control usually in secrecy; bank management of oil company pension funds, portfolios conferred by incumbent management expecting in return to be perpetuated in office; and a second line bulwark of insurance companies, investment trusts, and foundations all acting to preserve their hegemony.

Finance Capital: banks run factories

This finance capitalist hegemony of the oil industry is just another example of the new mode of exploitation which we have experienced in this century – the emergence of Finance Capitalism based upon the existence of monopoly capitalism and imperialism. In Ireland we have had vivid evidence of the developing hegemony of Finance Capital during the 1960's and most clearly in the last few years – where the Irish financial institutions have orchestrated the rapid merger and concentration developments typified by the emergence of

"Shell companies".* The stage to which the development of Finance capitalism in Ireland has proceeded is underlined by the fact that the combined profits of the four Associated Banks alone (without taking into account the profits of the other financial institutions) are running in the order of 40% to 50% of the total combined profits of all the industrial and services companies on the Irish Stock Exchange. Ten years ago this proportion was in the region of only 15%.

What is happening in Ireland is no more than the acting out of the inexorable pattern of Monopoly Capital which are most clearly displayed by the international oil industry.

The conduits of communication which hold the skeleton of the oil combine together are interlocking directorates; financial associations; the worldwide and amazingly numerous joint ventures which permit exchange of plans and actions; and the handful of accounting firms and other professionals who service the oil industry and act, unwittingly but no less effectively, as a unifying force in providing a climate of opinion and practice within which their corporate policies of exploitation are formed.

If we examine some of these binding mechanisms as they exist in the oil industry we quickly realise that the oil cartel does not just involve the Seven Sisters who dominate the major part of the industry but draws into its orbit the many so called "independent" oil companies who, while fostering the illusion of competition, constitute a new corporate extension of the central oil hegemony. Of course, a superficial understanding of the nature of monopoly capital will tell us this. No arbitrary limit on the march of voracious capital such as the seven "major" or "sisters" could exist in reality, the limits of the oil sector itself would be breached by expanding capital. Monopoly capital knows no limits, be they sectoral, corporate or national.

To trace in detail the extent and precise detail of the web that links the oil combine into the corporate body that is

*See *Tony O'Reilly's Last Game, A Case History of Irish Capitalism,* Repsol 1976.

American (monopoly capital) would require a treatise many times the size of this book. We restrict ourselves to indicating some of the interlocks which bind together the "seven sisters". To indicate the true nature of the so called "independent" oil companies we look at the linkages binding a company of special interest to Ireland – Marathon Oil Co., – into the oil combine.

Marathon Oil

The analysis is carried out below under four headings; (a) Ownership and Control; (b) Interlocking Directorships; (c) Joint Ventures; (d) Shared Accountancy Partnerships.

Ownership and Control

Before considering the control and ownership of the stock of oil companies by Finance Capital we will look at the control exercised by two super rich American families – the Rockefellers and the Mellons.

The principal method by which these families retain control of their respective oil companies is through the Foundation. This has emerged in America as a legal form designed to avoid anti trust laws and which enables a group to retain control and get favourable tax treatment. It is also important to note that, because of the immense spread of the issued capital of oil companies, a relatively small stockholding gives control to the main holder. James Conzens, the Michigan representative in the U.S. Senate used to say that whoever held 2 or 3% of the stock of a corporation could usually get "the majority to do the wishes of the minority". This observation referred to American business as a whole. It applies even more to the oil industry, on account of its scale. The American Congress House Banking sub-Committee on Domestic Finance said, "even 1 or 2% of stock in a publicly held corporation can gain tremendous influence over a company's policies and operation" The control exercised by the Rockefellers is indicated below.

ROCKEFELLER FOUNDATIONS' HOLDINGS IN STANDARD OIL COMPANIES

Name of Family Foundation	Year of Establishment	Market Value of Assets	% of Company's Equity
Rockefeller Foundation:	1913	$830.569m	
Mobil Oil (Standard N.Y.)		$132.775m.	0.7%
Exxon (Standard N.J.)		$221.250m.	1.9%
Standard of Indiana (8th largest oil co. in world).		$ 83.400m.	2.3%
Rockefeller Bros. Fund:	1940	$213.493m.	
Exxon		$ 29.001m.	0.6%
Mobil		$ 18.427m.	0.4%
Standard of Calif.(Chevron)		$ 8.944m.	0.2%
Commonwealth Fund:	1918	$132.062m.	
Mobil		$ 15.188m.	0.3%
Exxon		$ 11.125m.	0.1%
Standard of California		$ 9.038m.	0.2%
Standard of Indiana		$ 1.393m.	0.1%

Thus, through the holdings of its family foundations alone the Rockefellers control 2.6% of Exxon (known in Ireland as Esso); 1.4% of Mobil; 2.4% of Standard of Indiana, giving them definite controlling power through the foundations alone in these companies, and 0.4% of Standard of California.

Two ugly sisters of the Rockefeller family meet.

Turning now to the "independent" company Marathon Oil Co. of Ohio, we find from the Annual Report of the Rockefeller Foundation (1971) that the friendly monopolists the Rockefellers owned $14,326,000 in stock in the company thus giving them 1.73% of Marathon's 1971 Equity Capital of $829.268m, in other words a controlling interest. Thus, Marathon Oil Co. becomes a sister company of Esso their partners in the joint exploitation of Irish oil and gas off the Cork Coast.

An ugly sister of the Mellon family...

The Mellon family through its control mechanism the (Andrew W. Mellon, Richard King Mellon, and Scaife-Sara Mellon) Foundations collectively control a massive 7.95% of Gulf Oil Co. the world's fourth largest oil company.

The unifying interest of these two families is only a part of the control which they share in the oil companies with the rest of their class. The oil companies of course need large volumes of capital to bring oil fields like that of the Irish Celtic Sea into production. They could not hope to generate the capital from their internal revenues.

Go to the Bank...

So, they rely upon the financing of their operations to a large extent by consortiums of banks, which raise investible funds through their combined control of the savings of millions of ordinary citizens. Thus, the oil companies, in becoming significantly "geared" (i.e. in debt to financial institutions) effectively surrender some control of their stock and their share in profits to Banks which through interest payments cut themselves a slice of the profits made by the oil companies.

And open their own Bank...

Of course the Rockefellers and the Mellons have the power and wealth not to become enslaved to finance capital – they have become finance capitalists themselves directly. The Rockefellers have their own immense banking institution, the Chase Manhattan Bank. The Mellons own the Mellon National Bank, which, in addition to their Foundations, holding of 7.9% of Gulf Oil holds a further 17.1% of Gulf's stock.

The Money Fixers

The financial consortia to which all of the Seven Sisters, and

Marathon are indebted are a small handful of very powerful financial institutions called managing underwriters. A financial truism among these managing underwriters is that they have connections with other financial institutions. For example Morgan Stanley, a managing underwriter, is part of the huge holding combine of J.P. Morgan & Co. They control the Morgan Guaranty Trust Company, which in 1967 had the largest total of trust assets in the U.S. and probably in the world. The Irish Government itself is in debt to the Morgan Trust. This trust influences a number of the major oil companies.

The Four Fixers

Between 1945 and 1972 at least $9.3 billion was raised by managing underwriters and for the American oil industry, excluding short term loans. Two thirds of this amount was concentrated in consortiums controlled by four managing underwriters. The four are Morgan Stanley, the First Boston Corporation, Dillon Reed and Blyth Eastman Dillon. Even these four do not reveal the concentration within this aspect of banking activity. Morgan Stanley alone is responsible for 40% of the $9.3 billion raised since 1945. The share of the financing of the American Seven Sisters and Marathon is shown below.

MAJOR MANAGING UNDERWRITERS:
CAPITAL RAISED FOR SELECTED OIL COMPANIES

Morgan Stanley		First Boston		Dillon Reed
39% of all Dept.		12% of all Dept.		8% of all Dept.
($3,625m)		($1,110m)		($733m)
Mobil	$500m.	Marathon	$145m.	Texaco $150m.
Shell	$660m.	Gulf	$500m.	
Esso	$650m.			
Texaco	$400m.			

What Monopoly Capital means

There is a strong relationship between Morgan and the Rockefeller interests indicating that both families, once classified as arch enemies within the monopolist class have now learned to to-exist. It appears too, that Texaco and Shell have drifted into the Morgan corral. A further very interesting aspect is the substantial indebtedness of Marathon to the tune of approximately 18% of its equity to the First Boston Corporation, which as can be seen by the inclusion of Gulf is in the Mellon family stable – the representatives of the Mellon family interests hold directorships on the board of First Boston. So, Marathon, our "independent" oil company not only dances to the tune of the Rockefellers but also the Mellons.

The control of finance capitalism over the five American sisters is shown below; which depicts direct stockholding involvement in the companies by financial institutions.

Number of Financial Institutions necessary before all shares held constitute given percentages of U.S. Major Oil Co. shares (1969).

COMPANY	% of Shares Outstanding							Total No. of Insts. holding Shares
	1.0	2.5	5.0	10.0	15.0	20.0	25.0	
Esso	1	1	3	6	13	27	49	191
Texaco	1	1	2	5	11	21	36	174
Gulf	1	1	1	1	1	2	3	163
Mobil	1	1	2	5	11	19	33	163
Standard of Calif.	1	1	1	4	10	20	37	139

The direct control and ownership of the oil companies by a small group of powerful financial and industrial barons through the financial institutions extends right across the board into the many "independent" companies such as those which have applied for exclusive exploitation rights for Irish Oil and Gas.

Director Interlocks

Director interlocks are another important way in which the cohesiveness of the international oil and financial bourgeoisie is ensured.

Of the five American sisters all have direct directorship interlocks with ten banks, and Marathon, which has a director from the National City Bank of Cleveland Ohio, shares a director linkage through the medium of that Bank with Standard Oil of Ohio and Texaco.

In the oil industry, directorship interlocks are an important means of harmonising activities. In the United States the law forbids direct interlocks between one oil company and another, so, the financial community, as we can see in the Marathon case, forms the mechanism of communication. Thus, there is a free interchange of directors between oil companies and banks. Of course the range of director interlocks between the oil combine and industries outside oil are of virtually all encompassing range. To illustrate the complexity of these interlocks – Marathon's interconnecting directorships into other industries are indicated below:

Due to the large range of industrial connections across the board the only industries shown here are the Financial Institutions and other competing energy sources. Even this shows the submersion of Marathon into both the Finance Capital and Monopoly Capital control structures. The Finance Capital interconnection is shown by director interlocks with financial institutions. The Monopoly aspect is shown by the extensive involvement of Marathon with companies controlling the development of energy sources in competition with oil and gas. Here Marathon shares direct boardroom connections with Republic Steel and Anaconda, two of the U.S.'s largest corporations, Anaconda recently bloodied its hands to protect its exploitation of Chile's copper resources.

Another coal industry connection of interest to us is the secondary interlock with Amax Coal, which is a subsidiary of American Metal Climax Co. which holds a number of mineral exploration licences in the Republic and which has conducted

MARATHON

PRIMARY AND SECONDARY DIRECTORSHIP INTERLOCKS

Insurance Cos.:	†N.Y. Life Insurance Co. Metropolitan Life Insurance Co. (2) North West. Mutual Life Insurance Co.
Banks:	Manufacturers Hanover Trust. Crocker National Bank. First Bank System Inc.
Foundations:	Rockefeller Foundation (2)
Utilities:	American Electric Power (N.Y.) Commonwealth Edison. Consolidated Edison.
Oil:	Standard Oil Co. Amerada Hess Corporation.
Coal:	†Republic Steel Corporation Old Ben Coal Corporation. Burlington Northern Inc.
Uranium:	†Anaconda.

† Denotes Primary interlock, the rest are Secondary.

extensive exploration in Co. Tyrone.

Joint Ventures

The concept of the joint venture is perhaps the most effective method by which the oil companies have combined in their worldwide exploitation to produce a monopolistic hegemony of oil production and its downstream industries. The joint venture is historically the most recent of monopoly capital's devices to avoid Government attempts to restrict the excesses of monopoly capital. It has several advantages for the Cartel which include. avoidance of competition; a common meeting place in which the management of the joint subsidiary cannot be divorced from the development of harmonious relations

between the parents; concentration of economic power wherein the joint venture has behind it the economic might of not just one but two or more companies, and exchange of information and production planning wherein an appreciation of the others special interest is promoted.

The joint venture method which has turned out to be the most powerful stimulus to the development of the oil combine has linked up, in some way or other in one part of the world or another just about all of the seemingly unconnected oil companies in the industry.

Below is shown the extent and range of joint ventures that currently exist between the Seven Sisters and "independent" Marathon. In all there are over 1,000 joint venture operations in existence worldwide linking the oil combine.

In Ireland we have a good example of the oil combine in operation with four of the above eight companies jointly operating the Whitegate Oil Refinery – Shell, Esso, Texaco and B.P.

The oil combine in operation in the Middle East exploits

JOINT VENTURE SUMMARY FOR 8 COMPANIES IN 100 SELECTED VENTURES (Worldwide)

	Esso	Mobil	Texaco	Gulf	Stand. Calif.	Shell	B.P.	Marathon.
Esso	x	15	15	4	8.	17	9	4 †
Mobil	15	x	18	2	8	15	12	3
Texaco	15	18	x	7	12	18	9	3
Gulf	4	2	7	x	3	5	6	2
Stand.Calif.	8	8	12	3	x	6	3	1
Shell	17	15	18	5	6	x	22	4
B.P.	9	12	9	6	3	23	x	2
Marathon	4	3	3	2	1	4	2	x

Saudi Arabia through the Aramco which consists of Texaco, Esso, Standard of California and Mobil. While in Iran the exploitation is conducted by the Iranian Oil Consortium consisting of B.P., Shell, Gulf, Esso, Mobil, Texaco, C.F.P. (French Co.), Standard of Ohio, Getty Oil, Continental Oil ("Conoco" - marketers of "Jet" petrol in Ireland), and Atlantic Richfield ("ARCO") who have proposed a large oil refinery in Ireland.

A long standing and well known joint venture is the Caltex venture which is a combination of Standard Oil of California and Texaco to jointly exploit resources and markets outside the U.S.

Accounting Services: the Dublin links

When the same accounting firms render services to a number of corporations in the same industry they act as a binding force and can act as a conduit of information from one company to another while unavoidably carrying from one corporation to another some degree of common background which provides another unifying force to the combine.

Of the Big Eight Accountancy firms in the world, which, in the U.S. audit the books of 80% of the companies on Wall Street, seven audit the books of the top 30 U.S. oil companies.

The most significant conduit is carried through Price Waterhouse (who in Ireland operate a joint venture operation with Craig Gardners of Pembroke Road, Ireland's largest native partnership). The Price Waterhouse operation acts as a binding force between the Mellons and Rockefellers since they audit the books of Gulf, Standard Oil N.J., Standard Oil of Indiana, Standard Oil of California and Shell.

Ernst & Ernst, also with an office in Dublin, audit the books of five oil companies, among them Standard Oil of Ohio and Marathon.

Arthur Andersen, again with a Dublin office, audit Texaco's books along with those of six other companies including *Kerr McGee* who are one of the promoters of the local Irish capitalist "royalty" outfits.

The World Exploiters

The World oil cartel, then has an almost uniquely organised corporate cohesiveness which makes it into one of the great monsters which exploit and oppress workers all over the world. The oil monster itself accounts for approximately one third of total American imperialist holdings and revenue inflows, and, in the context of the world system of imperialism oil has been and is becoming even more so of principal importance.

To the American establishment the protection of the overseas assets of the Oil Cartel is of fundamental importance as is indicated by this statement attributed to the State Department Director of Fuels and Energy in reference to oil company assets abroad: "the loss of a significant part of them would be a serious matter to the nation as well as severely inequitable to the private owner" (in other words, unfair to the Morgans, Mellons and Rockefellers).

The exploitation of the world's peoples by the oil combine has been, and is increasingly being resisted. Thus, the combine has had to protect its interests by force where necessary, and where not necessary by corruption. From decades of experience of democratic opposition both at home and in the neocolonies the oil industry has developed an intricate and underground series of connections with Government and the military. In the U.S. this is most notable in the existence of the powerful "oil lobby" in congress. Their connections with the C.I.A. have enabled them to enlist that well known protector of "democracy" and "freedom" in such areas as Indo China, Chile, Greece and Spain, and their mercenaries in situations such as that of Iran in 1951. In Iran the nationalist premier Mossadeq nationalised the oil industry – the first time such radical action was taken by a native government in one of the oil colonies. The immediate response was for the Anglo Iranian Consortium (supported by the then British Labour Government) whose assets were nationalised, to organise a world wide boycott. Starved of the oil revenues Mossadeq ran into domestic economic problems. The oil combine saw their opportunity and enlisted the C.I.A. to foment economic disruption. In 1954 they organised a coup which overthrew

Mossadeq and restored the rule of the Shah. A new deal was struck with the predominantly British oil interests in Iran, and, the American Government in return for services rendered by the C.I.A., ensured that the U.S. oil companies got a share of the action.

Since the undercover connections of the oil industry with political power and the Pentagon are conducted with such a high level of secrecy (methods such as have been revealed by the "Watergate" investigations in Washington) direct evidence is hard to come by. However, the resulting stance of American foreign policy amply provides testimony of the unseen hand of the oil combine as the statement below illustrates;

American Imperialism supports the Oil Cartels

The U.S.'s government exercises virtually no power of control over the operations abroad of American oil companies. Its concern with them is of another kind. Our companies work abroad in close relationship with host governments. In countries where crude oil is produced the relationship is that of a partnership between company and government; with the company providing the capital and taking the risks inherent to exploration and development in return for a grant by a government of a right to use the resource. In consuming countries oil companies provide the services of refining and distributing petroleum products. Companies obtain profits from these operations commensurate with the large amounts of capital required and the risks assumed. Governments in turn receive an agreed share of profits in return for the rights they have awarded for the resource itself, or revenues by way of taxes accruing from the refining and distribution of petroleum products. These relationships are mutually beneficial to companies and governments, and each is dependent upon the other in organising a system for the production and distribution of petroleum which is economic, efficient and insures a fair return to both, for what they have contributed to the enterprise. The U.S. government is greatly concerned that American oil companies abroad should be able to continue their operations overseas within a framework of mutually agreed relationships

with host governments, serving the public efficiently wherever they are, and earning whatever is properly theirs because of the capital, skill and good fortune that have accompanied their operations.
Statement of former U.S. State Department's Director of Office of Fuels and Energy.

What Ireland Got

The Irish Government has never received "an agreed share of profits" from the Whitegate refinery . Nor has it received corporate income tax revenues due to the fact that the "joint venture" of the oil combine in Ireland, through manipulation of its internal pricing structure, usually makes losses and when profits are made they are usually in the order of a few thousand pounds. For example, in 1973 Esso (Teoranta!) on a turnover of £20m plus in Ireland (making it the 3rd largest Company in *The Irish Times* Top 50 Companies) reported profits of less than £10,000! – a fiddle to avoid taxes.

Besides their subversive involvements with the U.S. and other imperialist war machines the oil companies have an extensive and broad range of involvements in the American media, educational institutions, and cultural organisations. An unpublished report conducted by the U.S. Centre for Science in the Public Interest which is under lock and key in the U.S. Senate has revealed numerous instances of infiltration into organisations most notably involved in the "Socialisation" process in America. Some of these involvement are listed below:–

EXXON:

Federal Reserve Bank of Chicago (a State Bank equivalent to our Central Bank on a Regional level)	National Pollution Control Comm.
	Comm. for National Trade Policy.
North-West Bell Telephone;	
The Mayo Foundation;	Dow Jones;
Toledo Peoria & West. Railroad;	IBM.

PHILLIPS OIL:
(Also illegal contributor to Nixon)
University of Kansas;

TEXACO
Metropolitan Opera -
(Directors on two Hospital Boards).
Hollywood Turf Club.

MOBIL:
Time Magazine;
Princeton University;
Columbia University;
American Express;
Consolidated Edison.

ATLANTIC RICHFIELD (ARCO)
Boy Scouts of America;
Sante Fe Railroad;
Eisenhower Fund;
University of Chicago.

GULF:
(Who have pleaded guilty to making illegal contributions to Nixon's Campaign Fund).
University of Texas.

The study reported the pattern to be the same for Standard of California, Indiana and Ohio, Shell, Conoco, Sun Oil, Union Oil, Cities Service, Getty, Amarada Hess and Ashland.

Marathon's companies had involvements at board level in the N.B.C. (National Broadcasting Corporation); Union Pacific (Telecommunications monopoly); I.T.T.; Several Museums & Art Galleries; The Red Cross; The American Automobile Association; United Airlines; The New York Zoo!

The study concludes that of the 18 members of the oil combine examined in 460 director interlocks there were 132 at Banks, 31 in Schools and Universities, 15 in transportation and 224 in large manufacturing and distributing companies, many with subsidiaries in Ireland.

Abroad, the oil combine must also consolidate its position with strategic governmental, and other connections. One of the practices that the oil companies now employ almost as a mechanical response to be conducted when entering into a new

area of oil exploitation, or when political conditions change in the colony is the cultivation of influential local individuals usually through promises of money, or, other payments in kind, e.g. world cruises such as Gulf Oil's present to Jack Lynch when he was Taoiseach

With amazing rapidity the oil cartel has established extensive client linkages in both the Fianna Fail and Fine Gael "wings of the bourgeois parties in both the Dail and Senate. The other prong of their two pronged attack has been to enlist the allegiance of the local industrial capitalist class. By now this has been done, and all but eight of the 25 Top Irish Companies are involved in client relationships with the oil combine. The explicit purpose of the oil companies two-pronged strategy is to create in the ruling Irish capitalist class a vested interest in Oil and Gas exploration or in getting exploration rights for the present combine To do this the support of the most prominent Irish businessmen and a number of influential T.D.s and Senators has been enlisted to pressurise the Government into granting Exclusive oil and gas licences.

The story therefore comes full circle. The struggle of the Irish people puts them alongside those countries which have freed themselves from Monopoly Capital. In that struggle Sinn Fein The Workers' Party is the vanguard of the Irish people.

OIL COMPANIES - THE IRISH CONNECTION

1. Celtic Oil:
Directors:

Kevin Wylie: other interests: Investment Bank of Ireland; Hammond Holdings; Petroleum Royalties Ireland; Share Loan Trust; Irish Industrial Gases; Cambridge Petrol Royalties.

Senator Patrick McGrath: other interests: Waterford Glass; Irish Glass Bottles; Donegal Carpets; Hibernian Bank; Mercier Press; John Hinde Ltd.; Switzer Ltd.; Erin Peat Products; The Investment Bank of Ireland Ltd.; Hospitals Trust; Bank of Ireland; Hibernian Insurance; National Bank; Dodder Investments; Irish National Gas; Irish Plastic Packaging Ltd.; Silica Sand Ltd.; Irish Silver Ltd.

Terence Chadwick: other interests: Concrete Products of Ireland Ltd.; Marley Ireland Ltd.

Lyal Collen: other interests: Collen Bros. Ltd.; Industrial Estates Ireland Ltd.; Cement Ireland; Crete Stone; Stepaside Investments; Mobil Oil.

William Finlay: other interests: Bank of Ireland; Investment Bank of Ireland.

Senator Alexis Fitzgerald: other interests: Solicitor for at least five oil companies; Director of 54 property and investment companies.

Shareholders (Selected):

Allied Irish Bank Nominees (8,000);Revs. Harty & Westbourne (1,000); Vincent Ferguson (2,000); Alexis Fitzgerald (1,000); Tom Crosbie (1,000); Caritas Trust (1,000); Brendan Briscoe (1,000); Kevin Wylie (2,000); Tedcastle McCormick (8,000); Senator Eoin Ryan (1,000); Martin Rafferty (3,000); Nicholas Leonard (1,000); New Ireland Assurance (15,000); Josul Ltd. (70,000); Irish Glass Bottle Co. (2,000); Redmond Gallagher

(2,000); Ian Finlay (1,000); Earl of Donoughmore (1,000); Lyal Collen (4,000); P.J. Carroll (1,000); Bank of Ireland (280,000); Trinity Bank (4,000); Michael Smurfit (2,000); Silver Mines Ltd. (35,000); John Rohan (1,000); McKone Bros. (3,000); O'Flaherty Investment Co. (8,000).

2. Petroleum Royalties of Ireland Ltd.:

Directors:

Kevin Wylie (see Celtic Oil);

Michael D. Corbett: other interests: Man. Div. Brooks Watson.

John E. Kilgore: other interests: Cambridge Royalty Co.; Cambridge Petroleum Royalty.

T.B. McDowell: other interests: Irish Times; European Printing Corporation; Pim Bros.; Montague Burton Tailoring; Associated Tailors; Pierre Chardin; John Temple Ltd.

Richard Hooper; other interests: Investment Bank of Ireland; Hammond Holdings.

Joseph Hugh, Des Ryan: other interests: Man. Div. P.J.Carroll; Thomas McArdle; Irish Shelf Exploration.

Arthur Selligson: other interests: National Bank of Commerce of San Antonio; Cambridge Royalty Co..

Shareholders:

Belvedere Trust (25,000); Casanova Nominees (100,000): Cambridge Royalty (34,000); Fitzwilton Ltd. (20,000); Farrel Trust (2,000); Hibernian Insurance (10,000); Investment Bank of Ireland (25,000); Irish Marine Oil (25,000); Josul Ltd. (25,000); New Ireland Assurance (10,000); Pembroke Investments (15,000); Schroder Nom. London (75,000); Smurfit Property & Investment Co. (5,000); Hammond Lane Industries (25,000); Irish Life (25,000); Jefferson Smurfit Trust (1,000); Morgan Nominees, London (100,000); PMPA (15,000); Silvermines (50,000); Standard Life (25,000); Norwich Union (25,000).

3. **Irish Offshore Oil**

Directors:

Lord Killanin: other interests: Lombard & Ulster Bank; Irish Shell B.P.; Bovril; Chubb Lock & Safe; Killanin Estates; Assoc. Life & Pension Services.

Senator Eoin Ryan: other interests: New Ireland Assurance; P.V. Doyle Hotels; Lyons Irish Holdings: Dungarvan Leathers; Irish National Insurance; Marlborough Properties.

Frank Lemass: other interests: Lombard & Ulster Bank; Arklow Pottery; C.I.E.; British Leyland; Player Wills; Electric Industries of Ireland

Percy Greer; other interests: Wire Ropes; Unidare (Ireland); B.& I.; Smith & Pearson; Ihsurance Corporation of Ireland; Credit Finance Ltd.

4. **Irish Marine Oil**

Directors:

John O'Connor: other interests: Industrial Credit Co.; Shipping Finance Co.; McInerney Properties; Atlantas Investment Trust; Gortan Ltd..

Timothy O'Sullivan: other interests: Gresham Hotel; Talbot Hotel, Wexford; Royal Irish Ltd.; Wine & Spirit Trades Ltd..

Tom Doyle: other interests: Doyle Estates Ltd.; Cork Gas Consumers Ltd.; Shield Insurance Ltd.; Irish Shell B.P.; Kincora Carpets; Irish Engineering & Harbour Ltd.; Metal Products Cork Ltd.; Cloyne Mineral Co. Ltd.; D.F. Doyle & Co. Ltd.; Lombard Banking Ltd.; O'Brien Bros. (Spinners) Ltd.

John Reihill: other investments: Deepwell Investment; Tedcastle McCormick; Irish Life; Alliance & Dublin Consumers Gas.

David Weston: other interests: Weston Trustee Co.; Hibernian Insurance Co.; Irish Freehold Investment Co..

John Lowe: Trinity Bank.

Shareholders:

Allied Irish Bank Nominees (14,000); Investment Bank of

Ireland Nominees (10,000); New Ireland Assurance (10,000); Roadstone Pension Trust (25,000) Scottish Provident (25,000); Mall Nominees (250,000); Hibernian Insurance (50,000); Eileen Lynch (Belfast) (22,000); Vincent Lynch (105,000); M. Rafferty (5,000); J.Rohan (Cork) (1,000); J.J.Stafford (1,000).

5. **Global Marine Inc.**

Directors:

Almerton Field, U.S.; Taylor Hancock, U.S.; Ernest Vesey B.R. Richard Grann, U.S.; Maurice Smith, U.S.; Norman Jones B.R.

Offshore Oil Ltd. (Irish Subsidiary)

Directors:

Tom Roche: other interests: Cement Ltd.; Bula; National Exploration; Woodford Steel.

Donal Godson: other interests: Breton Ltd.; National Exploration; Woodford Steel.

Ambrose McInerney: other interests: McInerney Properties & Subsidiaries & Chipboard Ltd.

Dan McInerney: other interests: McInerney Properties & Subsidiaries & Chipboard Ltd.

Denis Cody: other interests: McInerney Properties & Subsidiaries & Chipboard Ltd.

6. **Forest Oil**

Irish Interests (20%): Tony O'Reilly (37.5%); Fitzwilton (16.5%) Des Traynor (Guinness & Mahon) (10.25%); J. McCarthy, (Fitzwilton) (16.5%); Sam Stephenson (13.0%); Guinness & Mahon (6.25%).

7. **Oil & Gas Exploration Co.**

Directors:

Patrick Belton, Fine Gael; Brian Lenihan, Fianna Fail; Kevin Norton, Labour Party and Irish Boardmills Ltd.; P.V. Doyle, P.V. Doyle Hotels; Sam Lyons, Architect; Francis Colthurst, Commercial Banker and Brittain Group; Walter O'Donoghue, (Canada); John Frey, Decca Resources (Canada); James

O'Brien, Decca Resources (Canada); Paul C. Conroy, Memco Exploration (Canada).

8. Irish Natural Resources Ltd.

Shareholders:

Jefferson Smurfit Group (£75,000); Clondalkin Paper Mills (25,000); Smith Group Ltd. (25,000); Dodder Properties (25,000); Doyle Enterprises (25,000); McSweeney Enterprises Ltd. (25,000); "Private Investor" (25,000); Brooks Watson Group (25,000); New Ireland Assur. Co. (25,000); James Daly & Sons Ltd. Cork (25,000); Tedcastle McCormick & Co. Ltd. (25,000); Martello Ltd. Dublin (25,000).

9, Hibernian Oil & Gas

Directors:

William Walter Siebens (Canadian); Philip Wood (British).

P.J. Hughes: other interests: Tara Exploration; Northgate Exploration; Gortdrum Mines; Toronto Dominion Bank; Irish Base Metals.

Shareholders:

Siebens Oil & Gas (U.K.) Ltd.(7,999) Irish Base Metals (1,999).

10. Irish Exploration Co.

Directors:

Jeremiah F. Dempsey: other interests: Bank of Ireland; Aer Lingus; Irish Ropes; Foster Finance.

Conor Crowley: other interests: Kennedy Crowley, Weeks (Ireland).

Liam St.J. Devlin: other interests: Bank of Ireland.

John Rohan: other interests: Rohan Group.

Patrick Duggan: other interests: Aer Lingus.

Douglas Stewart: other interests: Weeks.

Paul Temple: other interests: Weeks.

The Company Secretary is also Secretary to Celtic Oil, S.K.C. Ltd., Harcourt House.

Known Shareholders:

P.J. McGrath (3%); Conor Crowley (2½%); J.F. Dempsey (2%); S.K.C. Trust (17%).

11. Sea Horse Ltd.

Directors:

Sir Basil Goulding: other interests: Fitzwilton; Gouldings Fertilisers Ltd.; Rio Tinto Zinc; Irish Pensions Trust; Bank of Ireland; Johnston Mooney & O'Brien; Massey Waterford Ironfounders Ltd.; N.P.K. Ltd.; Irish Metal Industries; Ulster Fertilisers; Richardson's Fertilisers; Phospac Ltd.; Hibernian Insurance Co. Ltd.; Sulphac Ltd.; A.H. Masser; Brunswick of Ireland Ltd.; Winter & Spring Ltd.; Lownden Coyle Ltd.; Dargle Glen Co. Ltd.; Hesperides Co. Ltd.

William Joseph Calcott Milne: other interests: Fitzwilton; Shamrock Fertilisers; Irish Metal Industries; N.P.K. Ltd.

W. Lynch: other interest: Irish Shipping.

Redmond Gallagher: other interests: Irish Shipping; Arklow Pottery; Industrial Estates of Ireland.

Donald Hodgins; John McNaughton Sidney (BR); Edward Kelly (BR).

APPENDIX 2

Non-exclusive Petroleum Prospecting Licenses.

*Licenses issued.
+Minister's notice of intention to grant licenses published.

*1	Trend Exploration Ltd., 600 Capital Life Centre, Denver, Colorado, U.S.A.	U.S.A.
*2	Bralorne Exploration (UK) Ltd., 736-8th Avenue, South West, Calgary, Alberta, Canada.	Canada
*3	BP Petroleum Development Ltd. Britannic House, Moor Lane, London E.C.2. England	England
*4	Societe National des Petroles d'Aquitaine, Tour Aquitaine, 92, Courbevoie, France.	France
*5	Esso Exploration Inc., 1270 Avenue of the Americas, New York, U.S.A.	U.S.A.
*6	Shell International Petroleum Maatschappij N.V. Carel van Bylandtlaan 30, the Hague,Netherlands.	Holland
*7	Hugh. A. Hawthorne, P.O. Box 52429, O.O.S. Lafayette, Louisianna.	U.S.A.
*8	Canadian Export Gas and Oil Ltd. 736-8th Ave. S.W. Calgary, Alberta, Canada.	Canada
*9	Enterprise de Recherches et d'activities Petrolieres, 7 rue Nelaton, Paris, France.	France
*10	Delta Exploration Inc. 7636 Harwin, Houston, Texas, U.S.A.	U.S.A
*11	Weeks Natural Resources Ireland Ltd., Harcourt House, Harcourt St. Dublin 2. Ireland.	Irish
*12	Hibernian Oil and Gas Ltd., 34/35 Dame Street, Dublin 2. Ireland.	
*13	ARCO Oil Producing Inc., 163/169 Brompton Road, London. SW3. England.	England

*14	Continental Oil Co. of Ireland Ltd., 100 West Tenth Street, Wilmington, Delaware, U.S.A.	U.S.A.
*15	Fairey Surveys Ltd., Reform Rd. Maidenhead, Berkshire, England.	England
*16	Hunt International Petroleum Company of Ireland 2700 First National Bank Building, Dallas, Texas, USA and Celtic Oil Ltd. 91 Pembroke Road Dublin.	U.S.A.
*17	Invent Incorporated, 100 West Tenth St. Wilmington, Delaware, U.S.A.	
+18	Aracca Petroleum Corporation, 225 Broadway, New York, U.S.A. and Damson Oil Corporation, 366 Madison Avenue, New York, U.S.A.	
19	Kilroy Company of Texas, 1908 N.C. Buildings, Houston.	
*20	Clewar Overseas Petroleum Inc. 225 Bush Street, San Francisco, California, U.S.A.	
*21	Oil and Gas Exploration Ltd. 104 Lr. Baggot Street, Dublin, Ireland.	Irish
*22	Great Basins Petroleum Ltd., 1570 Elveden House, Calgary, Alberta, Canada.	Canada
*23	Shannon Exploration Company, Fitzwilton House, Wilton Place, Dublin 2. Ireland.	Irish
*24	Tricentral North Sea Ltd., Capel House, New Broad St., London, England.	England
*25	Chieftain Development Co. Ltd., 10985-124 St. Edmonton, Alberta, Canada.	Canada
*26	Whiterabbit Resources Ltd., Suite 510 Barron Building, 610 8th Avenue, S.W. Calgary, Alberta, Canada	
*27	Texaco International Petroleum Co. 229 South State Street, Dover, Delaware, U.S.A.	U.S.A.
*28	Clinton International Corporation, 100 West 10th Street, Wilmington, Delaware, U.S.A.	

*29 Oceanic Exploration Co. 1999, Prudential Plaza Tower, Denver, Colorado, 80202, U.S.A. **U.S.A.**

*30 Zapata Exploration Co., Zapex (UK) Ltd., 38 Curzon St. London. England. **England**

*31 Ranger Oil (Canada) Ltd., 330 Fifth Avenue, S W. Calgary, Alberta, Canada. **Canada**

*32 Ashland Oil Incorporated, 1409 Winchester Ave. Ashland, Kentucky, U.S.A. **U.S.A.**

*33 Shenandoah Oil Corporation, 1500 Commerce Bldg., Fort Worth, Texas, U.S.A.

*34 Transworld International Petroleum Co., Inc., 36 Hertford St., Park Lane, London WIY 7 T.G. **England**

*35 United Western Oil & Gas Ltd. 606 One Calgary Place, 330-5th Ave. S.W.Calgary, Alberta, Canada. **Canada**

*36 Canada North West Land Ltd., 920 Three Calgary Place, 355 4th Ave. Calgary, Alberta, Canada.

*37 Island Oil and Mining Co. Ltd., 2 Lr. Hatch St., Dublin 2. Ireland. **Irish**

*38 Berry Wiggins & Co. Ltd., Kingsnorth-on-the-Medway Hoo, Rochester, Kent, England. **England**

*39 AGIP S.P.A. Piazzale E Mattei i, Rome. **Italian**

*40 Amoco Ireland Exploration Co. 100 West Tenth Street, Wilmington, New Castle, Delaware,U.S.A. **U.S.A.**

*41 Irish Ventures Limited, 88 O'Connell Street, Limerick, Ireland. **Irish**

*42 Pennzoil Company Ireland, 100 West Tenth St., Wilmington, New Castle, Delaware, U.S.A. **U.S.A.**

*43 Forest Oil Ireland Corporation, 100 West Tenth St. Wilmington, New Castle, Delaware, U.S.A.

*44 Challenger Oil & Gas Co. 811 West Seventh St. Los Angeles, California, U.S.A.

*45 Oakland Corporation, Jones-O'Brien Incorporated 761 Pierremont Road, Shreveport, Louisiana, U.S.A. and Richard Brewer 1210 American Building, Houston, Texas, U.S.A. **U.S.A.**

*46 Ball and Collins (Oil & Gas) Ltd., 23, Belgrave Street Lower, London, S. WIN ONR. England. **England**

*47 Vitol Exploration B.V. Walenburgerweg 74, P.O. Box 27009, Rotterdam. **Holland**

*48 North Sea-Cities Service Petroleum Corporation, Dover, County of Kent, Delaware, U.S.A. **U.S.A.**

*49 Western Geophysical Company of America, 8100 Westpark Drive, P.O. Box 2469, Houston, Texas 7700, U.S.A.

*50 Kenmare Oil Exploration Limited, 6 Clare St., Dublin 2. Ireland. **Irish**

*51 Newmont Oil Company International, i135 Capital National Bank Building, 1300 Main At Polk, Houston, Texas, 77002. **U.S.A.**

*52 Irish Sun Oil Company, c/o North Sea Sun Oil Company Ltd., The Corporation Trust Company, 100 West Tenth Street, Wilmington, Delaware, U.S.A.

*53 Texas Pacific Oil Co. Inc. 1700 One Main Place, Dallas, Texas, USA, 72520 and - Diamond North Sea Company, First National Bank Bldg. Amarilio, Texas, U.S.A. 79105.

*54 C & K Petroleum, Inc., 608 First City National Bank Bldg. Houston, Texas, 77002.

*55 Oakwood Petroleums (U.K.)Ltd., Kempson House (12th floor) Camomile St. London,E.C.3.A. 7 AN. **England**

*56 SS (M) Ltd., Martins Bank Chambers, Hallkett Place, St. Helier, Jersey, Channel Islands. **Channel Isles**

*57 Gelsenberg AG D–43 Essen, Rosastr. 2. Federal Republic of Germany. **Germany**

Deutsche Schachtbau-und Tiefbohrg Gobh. D. 445 Lingen / Ems. Waldstrasse 39, Federal

Republic of Germany.

DSM / N.V. Nederlandse and Staatsmijnen, NL- Heerlen, V.d., Maesenstraat 2. The Netherlands. **Holland**

Preussag AG, D - 3 Hannover, Leibnizufer 9, Federal Republic of Germany. **Germany**

VEBA – Chemie AG. D–466 Gelsenkirchen - Buer Dorstener Strasse 227, Federal Republic of Germany.

Wintershall AG, D–35 Kassel 1, Friedrich Ebert-Strasse 160, Federal Republic of Germany.

*58 Enjay Irish Holdings Ltd. 51, Fitzwilliam Sq., Dublin 2. Ireland. **Irish**

*59 Canada Geothermal Oil, Ltd., P.O. Box 6240 - Station 'D', Calgary, Alberta, Canada, T2P.2C8. **Canada**

*60 Kissinger Petroleum Corporation P.O. Box 22004, Denver, Colarado 80 22 2. **U.S.A.**

*61 Bryce Cameron Consultants Ltd., Pentland Place 2402-924-7th Ave. S.W. Calgary, Alberta, Canada T 2P, 1A4. **Canada**

*62 Phillips Petroleum Company Ireland, Portland House, Stag Place, London, S.W.1.E. 5 D.A. **English**

*63 Petroswede /AB Linneg tan 5. S - 114 47 Stockholm Sweden. **Sweden**

APPENDIX 3

Surplus Value is the only magnitude of interest to the working class movement as it represents the money that would be available to develop the State Hydrocarbons Plan, to further industry and to raise living standards. The "rate of interest" or "profit" or "tax revenue" (which are included in surplus value) are all capitalist magnitudes, representing a return to particular class interests. Thus "profit" which represents the return to the oil company does not tell us of the potential return to workers. Equally misleading is "the rate of interest" which represents the return to bankers. Concepts like "profit", "interest" and "tax" are subdivisions of surplus value and are smaller than it. These concepts are used by bourgeois economists to confuse the trade union movement by mystifying the historic economic development of a society, marked in Ireland's case by the epoch-making discovery of Irish oil and gas.

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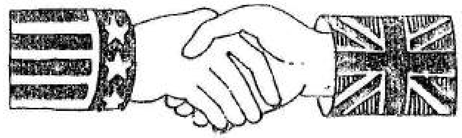
Other titles in this series:
The Public Sector and the Profit Makers
The Banks
Full Employment by 1986 – The Economic Plan
Tony O'Reilly's Last Game
The Irish Industrial Revolution

Studies in Political Economy

THE GREAT IRISH OIL & GAS ROBBERY



A CASE STUDY OF MONOPOLY CAPITAL

RESEARCH SECTION
DEPARTMENT OF ECONOMIC AFFAIRS
SINN FEIN THE WORKERS' PARTY
30 GARDINER PLACE DUBLIN 1.