

## CORPORATE STRATEGY

### Schlumberger: an energy monopoly that deserves closer federal scrutiny

When Schlumberger NV, the Paris-Curaçao (Dutch West Indies) oil and electronic multinational acquired 95 percent of the stock of Fairchild Camera and Instruments, a leading silicon chip manufacturer, the Federal Trade Commission demanded that Schlumberger divest itself of Unitrode, a small electronic company, and promise not to acquire further U.S. silicon chip manufacturers.

The FTC gave the impression that it was concerned about a foreign conglomerate taking an improper

share of the U.S. chips market, although this is an utterly remote possibility. It may also have unexpressed qualms about Fairchild's joint venture with British General Electric, which together with International Telephone and Telegraph's chip manufacturing plans for the U.K., will give that country unusually high proportion of the world's silicon chip production.

Yet, what is remarkable is the fact that the FTC continues to overlook Schlumberger's virtual monopoly in the highly sensitive field of oil well testing equipment, commonly known as wireline services. Schlumberger controls 70 percent of this highly technical market: 50 percent of domestic and 85 percent of all foreign well testing.

Because the Schlumberger instruments are highly sensitive and complex, only Schlumberger engineers are allowed to operate them. Oil company clients are given either telexed or hard copy reports on Schlumberger tests.

Thus, Schlumberger, a foreign multinational, controls the bulk of what may be said to be the most sensitive information in the world—where the oil is and where it isn't. In addition, Schlumberger's older parent, Schlumberger Well Testing, has information on the majority of the wells—successful or not—drilled worldwide over the past century.

If the FTC had shown a modicum of concern over this monopoly, investigation would have uncovered the information that Schlumberger has at least three top level connections to "Dope, Inc.," the worldwide financial command center of illegal narcotics traffic controlled by the British-Dutch oligarchy.

John de Menil, who came to the U.S. in 1941 to head up the Schlum-

## BRITAIN

### Tory economics: jobs, services to 'useless eaters' scrapped

"Us today, you tomorrow," reads a sign scrawled on the wall of the Vickers engineering works in Newcastle-upon-Tyne. No one employed there needs an explanation; the once-booming plant is due to be closed by September and the workforce—850 at the beginning of this year—is being cut by the week.

The Vickers closure, certain to be accomplished as scheduled now that the trade unions have called off efforts to resist it, is one example of how the Tory economic program will

affect the lives of the British working-class population. "I didn't expect much, and I got what I expected," said one laid-off worker who has little chance of finding another job for months. It seems a bit pointless. You do your bit and they drop you. I won't be the last."

Officials at the British Treasury have done their best to cover up their calculations that Britain will face unemployment of 2 million by the 1980s, but as one worker due to be made "redundant" (polite British terminology for being tossed onto the scrapheap) put it: "If your job's already gone, it doesn't matter what the figures are."

Few doubt that there is worse to come and one regional study makes

the Treasury forecast of 2 million unemployed seem overly optimistic—compared with a current total of roughly 8 million industrial employees. The union study indicates that in the northeast—one of the regions most affected by the decline in heavy industry—at least one third of the work force will be "on the dole" by 1991. Promises by Thatcher's Industry Department that 8,000 new manufacturing jobs will be created in the area are scorned by local residents. Since the government plan was announced, 2,500 jobs have been lost.

The situation is particularly acute in the shipbuilding industry—which the government wants to "denationalize." On the instructions of Industry Secretary Keith Joseph—who has now been dubbed the "Angel of Death"—British shipbuilders are updating a plan to lay off 12,300 shipyard workers throughout the country. The loss of jobs will not be confined to the shipyards. It is esti-

berger operations in Houston, was directly associated with a CIA Miami-based front called "Double-Check" which was a major contact point for FBI Division Five. Division Five, the British-Canadian intelligence penetration into the American FBI, was implicated by former New Orleans District Attorney Jim Garrison in the assassination of President John Kennedy. One of Garrison's top suspects was Guy Bannister, the southeast regional chief of Division Five, while Bannister's boss, Clay Shaw, head of Permindex subsidiary, the International Trade Mart, was Garrison's chief suspect and de Menil's close associate.

Bannister, who became the agent-handler for Lee Harvey Oswald in New Orleans, used Schlumberger warehouses to store weapons for the Bay of Pigs invasion and was earlier a conduit for a \$100,000 payment to the Organisation Armée Secrète for the assassination of French President Charles de Gaulle.

A key Schlumberger employee in

the Caribbean, and leader in the American White Russian community, George de Mohrenschildt, introduced Oswald to the community after Oswald's return from the Soviet Union, provided Oswald with a job, and later aided his transfer to the Bannister-Shaw networks in New Orleans.

Recently French police have pressed demands for the return to France of Shmuel Flatto-Sharon in connection with financial swindles that were bankrolled by a subsidiary of the Schlumberger insurance company, La Paternelle. Flatto-Sharon, identified by the Israeli daily, Haaretz, as "the head of the Israeli mafia," and a kingpin in Israeli dope, racketeering, and diamond and currency smuggling, fled France in 1973 and bought a seat in the Israeli parliament to avoid prosecution and to save his backers.

A third Dope, Inc. connection that any eager Federal investigator would certainly want to exhume is that fact that Schlumberger N.V.'s

present corporate counsel is Edwin West, former chief counsel of Marathon Oil. During West's tenure at Marathon, it was run by Detroit organized crime chieftain, Max Fisher, a business associate of the Canadian Bronfman liquor and drugs dealers who were intimates of FBI Division Five founder Maj. Lewis Bloomfield.

The fundamental question therefore is who controls Schlumberger's worldwide oil well monitoring operations? Immediate indications point to Royal Dutch Shell, which since the turn of the century has been the center of oil cartelization and British/Dutch intelligence operations worldwide. Étienne Schlumberger, son of the clan's Godfather, Maurice, has occupied a top position at Royal Dutch Shell since 1953.

If the FTC doesn't think this is worth an investigation, we do. Future articles will expand the case.

—Leif Johnson

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mated that at least five jobs in other industries are linked to every ship-building job.

However, the government intends to stand firm on its plans to shut down heavy industry and shunt aside the productive labor force. As Thatcher told the Commons recently: "There is surplus capacity in this country as well as others and reducing that capacity will be a very painful process."

#### **Over fifteen—out of school**

Jobs will not be the only thing to disappear under the Torie's economic scenario. The British "welfare state" is also about to be dismantled and with it a wide range of the most basic community, educational and social services.

In order to comply with the freeze on local government spending required by the new government, the Conservative-controlled Association of County Councils has submitted a batch of proposals which would exempt local government from the ob-

ligation to underwrite the cost of free school transportation, school milk, subsidized school meals, and free education of children before the age of six and after 15, among other things.

If implemented, the proposals would signal the biggest change in the direction of local government since the immediate post-World War II period.

Thatcher, who earned the epithet "Milk Snatcher" during her stint as undersecretary in the Education Ministry, is bound to be impressed by the approach to triage being taken by the County Councils. In their 10-page proposal to the government, Conservative council leaders emphasized that they did not want to use their powers to stop all services, but merely to be able to "select" the service they could discontinue in line with expected cuts in expenditure. Aside from the right to end nursery education, school milk and free lunch, the municipal governments want the option to:

- reduce the nutritional standards for school meals;
- operate schools on shortened schedules;
- reduce fire inspection at schools, old age homes and other buildings supervised by local government;
- repeal legislation covering consumer protection and environmental protection;
- stop giving pocket money to people in homes for the elderly;
- cut out a whole range of services in community homes for children with behavioral or other social problems.

—Marla Minnicino