Exxon & Co. dropped their political opposition to the bill last fall when their friend Russell Long, the Senate Finance Committee chairman from Louisiana, succeeded in getting two plums. First, most Alaskan oil is *exempt* from the tax altogether. Second, a little-noticed amendment was added removing the 1962 Trade Expansion Act authority of the President to arbitrarily pass import quotas. The latter is the basis of the current congressional challenge to Carter's $10 billion oil import fee. Both provisions have devastating implications: The Alaskan production is dominated by British Petroleum and its subsidiary, SOHIO with ARCO, Exxon and other members of the consortium. This "windfall" to BP will further their ability to "price war" their way into an increasing share of the American market. In addition, the majors got a concession on certain "old oil" now being reclassified as "upper tier" under the new tax. As one knowledgable independent pointed out, it is the majors who own "huge quantities" of this tax-exempt oil. Once the majors had secured these concessions, they dropped their opposition and the bill's legislative architects set about ensuring the demise of domestic energy production under the guise of "taxing the windfall gained from domestic price decontrol." Although they have a necessary joint relationship with the major companies, the independents, especially since the Seven Sisters moved into the Middle East, have been left with the burden of exploratory risk-taking in finding and producing domestic oil and gas. Last year, for example, more than 83 percent of new wells drilled or "wildcatted" domestically, were done by independents, not majors.

Who is 'big oil'?

Unlike the independent oil producers, whose future is tied to the exploration and production of oil and gas, the multinational oil companies are no longer oil-producing corporations per se. Since the early 1970s, they have been functioning as appendages of the major New York and London financial houses which run policy at the New York Council on Foreign Relations. A look at the corporate boards of directors reveals the following:

- Exxon numbers no fewer than 17 board members who are also members of the CFR, including chairman Clifton C. Garvin, who also is a director of Citibank in New York.
- Mobil's chairman Rawleigh Warner is a CFR member who also sits on the board of Chemical Bank in New York. Mobil's vice-president Herbert Schmertz, a CFR member, just received a leave of absence to serve as media director of the campaign of "oil's arch-enemy" Edward Kennedy.
- Texaco's chairman Maurice Granville is a CFR member who also sits on the New York Federal Reserve which authored Fed Chairman Volcker's top-down takeover of regional banks.
- ARCO's chairman, Robert O. Anderson, and president, Thornton Bradshaw, both sit on the CFR while funding and promoting environmental resource control from their Aspen Institute.

Bumpers' Rocky Mountain high

This brings us to the second major point: the attempt to choke off production by the independents in the vast Rocky Mountain region called the Overthrust Belt. Much of this is federally leased land which has become economical to explore under domestic price decontrol. Because there are vast energy resources here, it is potentially the fastest growing energy region in the country. Interior Secretary Cecil Andrus has used a contrived leasing scandal to force legislation through Congress which would prohibit independents from access to these oil-rich areas, leaving them for the larger majors to sit on while prices soar.

Just one day before the Denver conference, the Senate Committee on Energy approved the Bumpers bill, the Federal Oil and Gas Leasing Act of 1980 (S.1637). The bill now goes to the full Senate for a vote. IPAA head, C. John Miller labeled the Bumpers bill "a fraud" which would "virtually eliminate the great majority of independents as competitors for the frontier public lands areas and limit domestic oil and gas production, because it would limit the acreage available for leasing."

The IPAA Public Lands Committee said that S.1637 and the February Interior Secretary's suspension of noncompetitive federal oil and gas leasing "pose a substantial threat to future availability of federal oil and gas leases" and "promises to remove substantial amounts of land from oil and gas leasing." They correctly note that the impact of the recent actions will hit independents "who hold or operate on over 80 percent of federal oil and gas leases." What they do not mention is the fact that it is "independent oilman" Robert O. Anderson and certain major oil companies that have funded the environmentalist operations creating this very threat.

Duke Rudman of Texas, a self-described "dedicated wildcatter" told *EIR* that moves such as the Windfall tax are "paralyzing me. I have been forced to curtail a considerable number of drillings ... There is complete confusion; nobody understands this bill. Nobody in the Department of Energy can tell me. I can't find a lawyer who can give me an answer ... I'm mad. We have too many gentlemen in our industry." Rudman described the untold "trillions of barrels of hydrocarbons waiting to be explored" but for the impact of these restrictive policies.