

Big Oil Cartel Contrived Crisis--German Report

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Bonn

A confidential report, leaked to a member of the West German parliament, charges that major international oil companies manipulated prices to squeeze out independent marketers, juggled books to avoid paying German taxes and, in effect, created an artificial oil shortage in Europe.

The report by the West German Economic Ministry's cartel office is contained in an eight-page letter to the cartel office of the European Common Market headquarters in Brussels. The report was said by the member of parliament to offer evidence to support the suspicion that at least five of the major oil companies had violated fair trade laws and had used their multinational connections to take advantage of strictly nation-

al cartel laws in West Germany.

The five oil companies named in the report — Esso, Mobil, Chevron, Shell and

The leaking of the report to a Social Democrat member of the Bundestag, Wilhelm Noelling, has touched off a controversy between the cartel office and the oil companies and has caused some embarrassment for the Economics Ministry.

Noelling, who holds a master's degree in economics from the University of California at Berkeley, said the cartel office report contained evidence that "the big multinational concerns have ruthlessly used a politically contrived oil and energy crisis to exploit the consumer."

The cartel office report was said by Noelling to break down into these categories:

British Petroleum — all categorically denied all charges of wrongdoing in their operations.

- Price manipulations by the major oil firms to squeeze out independent oil marketers in West Germany.

- Charges that profits were artificially manipulated so that minimal profits were paid in high-tax areas like West Germany.

- Suspicions of price-fixing by non-market means.

On the first count, the cartel office sent evidence to Brussels purporting to show that Shell, British Petroleum and Chevron listed prices for refined products to independent German importers last November that were way out of line with the prices charged to their own German subsidiaries.