

INTERNATIONAL BRIEFS

NATURAL GAS CUTOFF TO ITALY BY EXXON IN LIBYA THREATENS MASSIVE UNEMPLOYMENT

Oct. 11 (IPS)--The Rockefeller family's Exxon subsidiary in Libya has cut off shipments of liquified natural gas (LNG) to Italy. The move will mean an immediate reduction of Italian natural gas consumption on the order of 10 per cent. (2.5 billion cubic meters of Italy's total LNG consumption of 25 billion cubic meters comes from Exxon in Libya.) The cutoff threatens massive new unemployment in the steel, cement, and metallurgical industries--all heavily dependent on natural gas.

The Exxon Corporation and the Libyan government used a "price dispute" arranged with collaborators in the Ente Nazionale Idrocarburi (ENI), the Italian government-owned hydrocarbon concern, as "justification" for the cutoff.

This dispute involves new taxes imposed by Libya on LNG produced by Exxon. The taxes allegedly were increased because of the U.S. support of Israel. Exxon attempted to pass this price increase along to ENI, its major customer, but ENI refused to absorb the cost. This immediately resulted in the shutdown of a huge Italian regasification plant in Panigaglia, Italy, owned by SNAM Progetti S.P.A. Similar shutdowns are expected to occur in Spain, which is also involved in the dispute. SNAM Progetti has stated publicly that this tax-induced price hike violates its 1965 contract with Exxon, which stipulates that the Exxon Corporation will absorb all Libyan taxes.

As a result of ENI's refusal to pay these increases, Exxon invoked a "force majeure"--a contract clause that allows a supplier to reduce or stop deliveries because of reasons "beyond its control"--as reported in the Oct. 11 Wall Street Journal. The Libyan government played its move in this Rockefeller game by ordering the closure of all oil and gas facilities owned by Exxon and Exxon affiliates in Libya.

Exxon: Sabotage "Our Prerogative"

According to a public relations official at Exxon in New York City contacted by IPS today, industrial sabotage of the Italian economy is "our prerogative." In fact, the natural gas cutoff is only one of many fuel shortages which are being introduced to reduce the Italian economy further to a slave-satrapy of the Rockefeller family. For example, the Unione Petrolifera Italiana (the association of Italian oil producers) is threatening to stop marketing crude oil within Italy if the government will not permit price rises. Efforts at such blackmail include a month-long shutdown of refineries in August by Total, a member of the Unione Petrolifera Italiana located in France.