

Gall Luft  
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A new report by the Institute for the Analysis of Global Security (IAGS) warns against a transfer of wealth of historical proportions from the world's oil consuming nations to OPEC as a result of the current spike in oil prices. According to the report's author, executive director of IAGS Dr. Gal Luft, this transfer of wealth is already causing "a structural shift in the world economy, causing oil importers economic dislocations such as swollen trade deficits, job loss, sluggish economic growth, inflation and, if prices continue to rise, inevitable recessions."

At \$100 a barrel OPEC's market capitalization stands on roughly \$92 trillion, almost half of the world's total financial assets and nearly twice the market capitalization of all the companies traded in the world's 27 top stock markets. According to Luft, such monumental wealth allows OPEC countries unprecedented buying power. As an illustration, at current oil prices it would take OPEC three years to buy 20 percent voting block in every S&P 500 company. Luft claims that it would be hard to see how such buying power would not upset the West's economic and political sovereignty. At the current rate of investment, foreign governments are likely to be more willing to translate their wealth into power dictating business practices, vetoing deals, appointing officers sympathetic to their governments, dismissing those who are critical of them and imposing Sharia laws on Western corporations.

The report calls for increased vigilance and demands reciprocity in U.S. relations with OPEC members. Many of the oil countries investing in the West are known for their egregious violations of open investments and free trade. "The least we can do is demand that foreigners treat us as we treat them," Luft wrote. Luft also calls for an urgent effort to reduce global dependence on petroleum as a way to protect the West's economic sovereignty. "For America, the perpetuation of the petroleum standard promises a metastasizing sovereignty loss, economic and political decline and eventually enslavement to OPEC and its whims," Luft said, "Only by destroying the strategic value of oil can we stop the bleeding of our economy."

To read the full report: [http://www.iags.org/new\\_economic\\_order0208.pdf](http://www.iags.org/new_economic_order0208.pdf)