

# Oil Price Already Up 20%, Carter Team Plans 'Energy Embargo' Against U.S. Industry

Dec. 16 (NSIPS) — Under the cover of an anticipated Organization of Petroleum Exporting Countries (OPEC) oil price increase, major East Coast suppliers have already increased the price of No. 6 industrial fuel by 20 per cent since last June, seriously affecting industrial users and inflating consumers' electric bills through the ceiling.

As events at the on-going OPEC meeting in Qatar underscore, a major oil price increase is the policy of the Carter government-in-the-wings and the Rockefeller-controlled multinational oil companies, not of OPEC.

The Carter group has been pushing for a major oil price increase to intercept the growing OPEC-European and OPEC-Third World alliances and, domestically, to manufacture a new "energy crisis" preparatory to "solving" that crisis with the labor-intensive energy and related "development" schemes demanded by Big MAC chairman Felix Rohatyn at the Saratoga Springs Conference of Northeastern Governors last month. At that meeting a former Federal Energy Administration (FEA) official informed a private gathering, "Even if the OPEC nations don't raise the price of oil, Carter should impose an embargo so the population will go through the pain and suffering necessary to finally bring about energy conservation and independence plans."

On Dec. 13 the Washington Post echoed the same sentiments. The paper editorially endorsed the appointment of James Rodney Schlesinger — "or someone of similar intellectual grasp and administrative skill" — to head up a new energy superagency in the U.S., whose aim would be to swiftly move on the Project Independence programs that the Ford Administration failed to carry out. Schlesinger demonstrated his qualifications for the post during his Princeton lectures last month, when he urged the Carter Administration to make confrontation with OPEC its first priority. The Schlesinger call for a "big bluff" — the same strategy he advocates in the face of Soviet Union strategic military superiority — foreshadowed the spate of State Department-directed articles published in *Forbes*, *Business Week*, and the *New York Times Magazine* last weekend.

## *Divide and Conquer*

The other prong of this new energy hoax are the moves by the Carter group to precipitate a price war among the oil-producing nations and to undercut growing OPEC-European marketing arrangements. On Dec. 15 Frank Zarb, head of the FEA, unveiled a plan to purchase oil for

a 500 million barrel strategic stockpile through "one-on-one negotiations" with various members of OPEC. Zarb said the aim of the secret, one-on-one negotiations was to get the oil at a discount, but he insisted that the negotiations would not be "a tactical means" for breaking the cartel. However, the plan announced by Zarb is the exact scheme suggested by this week's *New York Times Magazine* article "How To Take On OPEC" as a wedge to bust up OPEC and wreck the OPEC-European alliances. The article shamelessly lied that the Europeans and OPEC countries have a common interest in keeping prices up, naming "our allies Britain and Norway, who have an interest in the relatively expensive production in the North Sea," "suppliers of arms and other services to the OPEC nations," and the OPEC cartel itself.

One of the authors of the article, Jack McNamara of the University of Southern California Law Center, told a reporter this week that the architects of the FEA plan were well aware that the main interest of the nationalized Arab oil companies at present is in securing downstream marketing rights and getting out from under the control of the multinationals and well-aware of the on-going OPEC-European marketing deals. The Arab state oil companies will be glad to bid into our auction. The purpose of the bidding is to break the cartel and allow open access to U.S. markets. Let anybody bid what they like as long as the price is right."

However, the OPEC nations are moving to prevent such a price war from breaking out. The *Wall Street Journal* reported today that the OPEC nations meeting in Qatar are setting the premiums and differentials that OPEC countries charge for various grades and qualities of crude oil and "production programming" — sales-production levels that each country must maintain to keep petroleum prices in the cartel's hands.

## *Top Down Control*

The Carter group not only supports the idea of a Federal purchasing agency. Charles Curtis, a member of the transition team who operates out of offices in the FEA, was instrumental in inserting a clause in the recent Energy Policy and Conservation Act which empowers the President to constitute the government the sole purchaser of foreign oil needs. This obscure clause that "slipped largely unnoticed into law," together with the stockpiling legislated by the Act, will give Carter full "legal" authority to confront OPEC via the auction system and to exert top-down control over the nation's

energy supplies. The 343-page report made public by Zarb today calls for stockpiling 500 million barrels of crude oil in the rock-salt domes along the Gulf coast by 1982, "as insurance against another Arab oil embargo."

Underscoring the evidence that a large oil price increase is the policy of the Rockefeller-controlled oil multinationals and not OPEC, the Wall Street journal reported yesterday what has been known by informed oil industry sources for some time — that the multitis started stockpiling crude oil back in October, paying premiums as high as 70 cents a barrel for spot purchases, in anticipation of a provoked OPEC price increase in December. However, by early November, when Saudi

Arabian Petroleum Minister Yamani and other OPEC spokesmen made it clear that the cartel had no intention of playing international scapegoat and destroying the European and Third World economies through a major price hike, the multitis were forced to ease their speculative stockpiling, and premiums on spot purchases of crude oil fell to around 35 cents a barrel.

Making oil a national security issue, and using the Schlesinger "big bluff" tactic to bludgeon OPEC into dropping its demands for development of the Third World, completes Carter's package for instituting a fascist economy in the U.S. in 100 days.

## Carter Draws From Same Well Five More Cabinet Nominees

### CARTER REPORT

Dec. 18 (NSIPS) — Jimmy Carter announced five more nominees for his Cabinet this week, and continued to draw on David Rockefeller's Trilateral Commission and the elite Brookings Institution think tank for the leadership of the Carter Administration.

The five new Carter appointees:

\*Michael Blumenthal for Treasury Secretary. Blumenthal, a Trilateral Commission member, was also a leading member of the Initiatives Committee for National Economic Priorities (ICNEP), a planning body created to outline the fascist reorganization of the U.S. economy. Blumenthal is an outspoken proponent of corporatist "labor-management cooperation" schemes.

\*Charles Schultze for Chairman of the Council of Economic Advisors. Schultze heads the Brookings Institution's domestic economic section. His brand of economics was blatantly detailed in a recent Brookings publication, "Setting National Priorities," edited, by Schultze, which calls for massive public jobs programs, wage and price controls and indexation — precisely the policy that drove standards of living in Brazil down to the starvation level. The book also details scenarios of possible US-USSR confrontations. Schultze was an originator of the "social compact" concept in which control on wage increases is to be an "exchange" for a small tax reduction.

\*Zbigniew Brzezinski for National Security Affairs advisor. Brzezinski is the executive director of the

Trilateral Commission. In 1967 he proposed "a symbolic presidency" for the U.S. "in which functionally necessary experts replace parties and government bodies." Brzezinski began personally grooming Carter for the White House while the peanut farmer was still Governor of Georgia. The leading architect of "destabilization" operations against Eastern Europe, Brzezinski is believed to have organized the 1968 "Prague Spring" crisis in Czechoslovakia. "Another Dr. Strangelove," commented the *London Times* Dec. 17.

\*Congressman Brock Adams for Transportation Secretary. Adams was the prime architect of the Conrail plan — a scheme that rescued Wall Street's worthless railroad bonds by triage and reorganizing the bankrupt Northeast railroads into the Conrail swindle. As House Budget Committee chairman, Adams has spent the last two years being carefully trained in Brookings Institution economics by Alice Rivlin, formerly of Brookings and now Congressional Budget Office director.

\*Congressman Andrew Young for Ambassador to the United Nations. Young was the man most responsible for organizing poverty pimps and other lowlife deployed to "get out the vote" fraud for Carter.

Not wanting to waste any time after Carter is sworn in January 20, Carter transition personnel are pushing for Senate confirmation hearings on the proposed Cabinet starting Jan. 10, ten days before Carter actually is sworn into office! If they are successful, it would be the first time in U.S. history that a full Cabinet was evaluated before a President took his oath of office.