

Strategic reserve plan hits EMS

Oil grab would prepare U.S., British Commonwealth for war

The proposal for a Western Hemisphere strategic oil reserve has been around for some 20 years. During that time, it has been firmly rejected by two Venezuelan governments, by the Mexican government, and by the U.S. Eisenhower Administration, during whose tenure in office the plan was first circulated.

Today, however, the reserve proposal is being vigorously revived by forces in and around the Carter Administration. It was a major goal of Carter's Mexico trip, and, in the world strategic circumstances, it is taking on a new and dangerous significance. With the Middle East under continuing pressure of destabilization from British-centered intelligence networks, the Western Hemispheric reserve is seen by geopolitical strategists as nothing less than an attempt to grab a secure Anglo-American oil supply in the event the supply of Middle East oil dries up entirely: it is a plan to break up the Organization of Petroleum Exporting Countries and, in effect and in the eyes of its architects, an Anglo-American deployment for world war.

The target is clear: the emerging European Monetary

System. With the U.S. turning to Latin American supplies and the United Kingdom relying as well on the North Sea, as the scenario prescribes, the collapse of Mideast flows could be used for total economic warfare directed against West Germany, France, and Japan — the pillars of the EMS. Knock out the EMS, and reverse the strategic anti-London policy orientations of these governments, and general nuclear war with the Warsaw Pact — as the Reserve's proponents know — becomes imminent.

The move to turn Mexico into Washington's "backyard" supplier is being run by the highest circles of Anglo-American policymaking, with Zbigniew Brzezinski and James Schlesinger as the inside players in the cabinet and Edward Kennedy serving as the primary political spokesman and control point for the project. Playing a key role are also elements of the Anglophile "Zionist lobby."

The geopolitical thinking behind the Mexico-Latin American shift was made starkly clear in an address to the executive board of the Anti-Defamation League of

Council of the Americas' secret memo to Carter

The Council of the Americas, the business organization representing the 200 leading U.S. corporations doing business in Latin America, presented President Carter with a confidential memorandum outlining a series of "policy approaches" for relations with Mexico just prior to his visit there. The Council's memorandum, obtained by this journal, presents proposals for making the U.S. the mediator for oil deals between Latin America and such nations as Japan, and makes it bluntly clear that the goal is to place control of Mexican and Venezuelan oil marketing in U.S. hands. Both Japan and Mexico have already rejected several features of the memo, excerpted below.

... Mexico has increasing commitments to export oil to Japan. If an arrangement could be made for

Mexico to ship Alaskan oil from Valdez to Tokyo and swap Mexican oil on the East Coast for delivery to the U.S., there could be a savings for both parties of up to \$5.00 a barrel.

... For strategic and economic reasons, it is most important for the U.S. to reconsider the purchase of Mexican gas and to make long term commitments to Mexico for its petroleum products.

... Creation of a Binational Energy Authority... (to take charge) of long term joint planning and coordination of energy interchanges between the U.S. and Mexico.

the B'nai B'rith in Miami last week by a Kennedy energy consultant. The Administration, said Lawrence Goldmuntz, must force Mexico to build a pipeline to the U.S. for "military" as well as economic reasons. "In the case of a conflict, even a limited one," he explained, "the Navy cannot guarantee supply from the Persian Gulf, Africa or Indonesia." The capacity of the proposed pipeline: eight million barrels per day — *almost the equivalent of total Saudi Arabian exports.*

Mexican resistance

Mexican is saying no to the entire scheme with a vehemence that only the fantasy-ridden Carter Administration could ignore. In an address to his nation celebrating its republican institutions, President José Lopez Portillo said Feb. 5: "Mexico will use its (oil) resources as it sees fit and exclusively as it sees fit... for its national interests." Mexico will "never deviate in response to bilateral greed." He clarified that his country is more than willing to sell oil to the U.S. provided Washington decides to join in building a new world economic order (such as embodied in the EMS), in which Mexico's resources would be seen as what Lopez Portillo called "patrimony of humanity." The point is clear: not a drop of Mexican oil for war plans.

Sources in another Washington lobbying firm, with ties to the offices of both Kennedy and Schlesinger, have

revealed that Kennedy is launching a parallel bid for control over Venezuelan oil as well, and is expected to issue a policy statement soon calling for the same sort of "special relationship" he seeks with Mexico. Schlesinger deployed high-level DOE official James O'Leary to Caracas only two weeks ago to do initial scouting for this angle of the overall project (see below).

According to the outlines of the Carter-Kennedy policy proposals, key Latin American oil producers — particularly Mexico and Venezuela — would become locked into long-term purchasing arrangements with Washington on a "preferred" basis. "Preferred" does not necessarily mean the U.S. would get a bargain price; the key consideration is guaranteed supply in exceptional circumstances—such as war. In fact, the general expectation is that a cutoff of Middle East oil supplies through Iran-style destabilizations will drive world prices into the \$25 per barrel range.

The hemispheric scheme would mean limited sovereignty for Latin American suppliers. The Council of the Americas, a business organization linked to the Council on Foreign Relations, has prepared a study for the White House laying out precisely how this would be put into effect. The memo (see below) calls for Mexican oil production and marketing to be placed under the control of "a Binational Energy Authority" under de facto U.S. domination.

We must get Mexico's oil — Kennedy

Senator Edward Kennedy unveiled his most recent campaign to define Mexican oil as part of the U.S. strategic reserve in a speech delivered Oct. 12, 1978 to the Inter-American Press Association in Miami. Notably, Kennedy called for such IMF-linked institutions as the World Bank and the Inter-American Development Bank to finance hemispheric oil exploration as further means of shifting U.S. dependence away from the Mideast. His aides told reporters this was the most important policy thrust of the speech.

The wonder is why Mexican oil and gas resources have been given so little attention and priority by the

Administration. Although some estimates indicate that Mexico could both meet its own vital development needs and supply 25 percent of United States imports by 1990, Mexico appears not to have been taken seriously into account by the United States.... We have failed to accord Mexico the same attention and respect offered countries such as Iran and Saudi Arabia.... I believe we can formulate arrangements of long term mutual benefit to both Mexico and the United States, arrangements which address our respective interests and concerns in a balanced and long term manner. And I believe we can do so in the context of steadily shifting our

dependence on imported oil from the Middle East to the Western Hemisphere....

I believe that the governments of this Hemisphere should establish a much larger fund to finance drilling activities, both by state-owned enterprises and private companies. In addition to the World Bank, the Inter-American Development Bank should finance both exploration and drilling efforts....

'Kennedy should cut rhetoric'

In the following interview, a top Washington energy lobbyist long associated with the "strategic reserve" project and also connected to Senator Edward Kennedy's office, outlines the current status of the Venezuelan aspect of the hemispheric operation. After describing