

plans that the future Carter administration may have about energy conservation to be enforced through the International Energy Agency and its domestic arm the Federal Energy Administration. Such conservation plans have depended on the threat of the producers using the oil weapon against the consuming nations.

Yamani further underscored his commitment that Saudi Arabia would act on behalf of the underdeveloped nations to negotiate a new and just monetary system with the industrialized states. He urged "the West to show sign of appreciation" for Saudi Arabia's policies in the deadlocked North-South talks in Paris, and in its efforts to settle the Arab-Israeli conflict. In this light, a White House official quoted in today's *Wall Street Journal* commented that the Saudis are playing "a bigger game...than oil prices."

Leading East Coast newspapers in the U.S. were rife with reports and speculation of the cartel breaking up. But the Iraqi Oil Minister, Abdel Karim stated definitively that the Arab world would never let the Saudis destroy OPEC.

Intense bargaining that went late into the night of the final day of the meeting was resolved by a plan put forward by the Venezuelan Oil Minister to accept the two tier pricing system as a means of publicly bridging the gap between the Saudis and the price hawks in the cartel. He announced 10 per cent rise, while unworkable, will in the short term appease restive layers in the countries which have depended on high oil revenues to fund ambitious development plans.

A key case in point is Iran. While Iran's Oil Minister Jamshid Amouzegar was demanding a 15 to 25 per cent increase at the OPEC meeting, the Shah of Iran was in constant contact with both the Saudi King Khalid and Crown Prince Fahd.

In the process a diabolical trap may have been set for the Rockefeller-controlled Aramco consortium of four multinational companies which still owns 40 per cent of Saudi Arabia's oil. According to a well placed source closely in tune with the oil business, the Saudis are expected to launch a propaganda campaign next month against Aramco for making a "windfall" on cheaper Saudi Arabian oil. Such a campaign is timed with final negotiations for a full Saudi government takeover of Aramco's holdings. With Saudi Arabia's stated commitment to raise its oil production, even a guaranteed buy-back right to the four multinationals — as has been hinted by the oil companies — will not stop the Saudis from significantly meeting the oil needs of Europe on a straight government-to-government basis, setting the stage for other oil producers to follow suit.

Algeria:

'Third World Will Not Fall For Lying Declarations Of West'

The following are excerpts from the economic supplement of the official Algerian daily El Moudjahid of Dec. 12:

The countries of the West have succeeded in postponing the Paris ("North-South") conference... (The West's) strategy is obvious. They want to put the responsibility of the economic collapse on the OPEC countries. They have launched a massive psychological

warfare campaign to intoxicate public opinion. The biggest weeklies of the West, including the U.S. magazine *Business Week*, are stressing that the big oil consumers... must plan to put an end to the stranglehold over their economy by OPEC...

The stalemate of the North-South dialogue was a cold-blooded operation to place OPEC in a delicate situation vis a vis the other Third World countries... The Paris conference is thus postponed until next spring probably to allow more time for militarization... and to wait for the new Carter administration... Already (Carter) has confirmed his intention to put into effect a policy reducing the use of oil. How will he do that? Will he use the IEA? Will he consolidate the consumers' cartel in Kissinger's manner, that is, with a simplistic understanding of the ongoing economic order? Will he pursue the policy of division and isolation of OPEC vis a vis the Third World?

... We will not fall anymore for the lying declarations (of the West). From now on we will call... things by their real names. The economic problems we have to face — problems that are ongoing for years — mean that it is not possible anymore to play sterile games. The solutions for each of the Third World's problems, even if they are all in the same emergency category, are calling upon us to take concrete and satisfactory measures on a long-term basis...

It is us and only us who are responsible for this issue... We must not miss this last chance to ensure a better world for our future generations and a just and durable new world economic order. Otherwise we risk that the planet will be subjected to the catastrophe of the century.

CAP:

"We Will Use Our Power Resolutely"

The following are excerpts from an editorial feature by Venezuelan President Carlos Andres Perez entitled "Altering the North-South 'Collision Course'" and printed in the Dec. 15 New York Times:

Can the ties between northern industrialized powers and southern developing countries withstand the tests of the near future? I fear that the unthinkable — a negative answer to that question — now appears as likely as any other.

The urgent need is to alter the economic collision course between North and South before the two great regions of our planet find themselves in open confrontation. This would surely have a negative effect on those of us in the Southern Hemisphere, but those in the North must ask themselves who has more to lose.

I am not making threats. I am saying that our brothers on the North American continent now have the historic opportunity to show their genuine friendship through concrete acts...

...we are not insensitive to the pressures on the world economy brought on by the rising prices we charge others — and others charge us. What is needed is a realistic indexing: a balance between our basic exports and the goods we buy...

To achieve these ends, we rely not only on the bargaining clout petroleum accords us, but also on the

unity of the third world. We will use this power reasonably but resolutely. The failure to realize this will expose the world to dangers that could affect the economies of all countries and the lives of all individuals.

Some politicians are fearful of the political consequences of an oil price revision. Let them be reassured. The great powers can easily absorb the new alignment without a jolt. If they are worried about expenditures, why not reduce their capacity to end the world 40 times over to a paltry but still effective five or 10 times?

These are my thoughts, shared by many responsible figures of the third world. We believe that mankind now stands at a perilous juncture. There are great dangers — capable of endangering man's life on this planet — but there is still hope. This is the opportunity that, mastered, makes other opportunities possible.

Saudis Reported In Agreement With Algeria, Venezuela

The following are excerpts from an article entitled "The Oil Price Puzzle" by Richard Johns in the Dec. 13 Financial Times:

Saudi Arabia has been foremost among the producers in linking oil pricing policy to progress made in the

Conference on International Economic Co-operation, particularly the demand of the developing countries for improvement in the real value of their export earnings (including petroleum) and for the relief of the Third World debt....At a secret meeting on October, (Saudi Arabia's Oil Minister) Sheikh Yamani is reported to have agreed with the Venezuelans and Algerians that the price increase should be kept lower if the outcome of the dialogue was judged satisfactory, but increased if it were negative.

Yamani:

No Embargo. We Want Dialogue

Corriere della Sera, Dec. 15, 1976, from commentary by G. Josca:

"Jimmy Carter threatens that if there were a new embargo, it would constitute a declaration of economic war, which would receive an immediate reply. However, (Saudi Oil Minister) Yamani, speaking for the Arabs, "throws water on the fire." He has said: "No one is thinking of a new embargo. We don't want to sabotage the world's economy. We are in favor of dialogue."

U.S. Press Retails State Department War Line To Break OPEC

Dec. 17 — Four major news publications Business Week, Forbes, Washington Post, and the New York Times Magazine, printed articles late this week which threatened the world with war unless the prospective Carter Administration in the U.S. is permitted to disband the Organization of Petroleum Exporting Countries (OPEC) to ensure a Rockefeller dictatorship over world energy supplies and policies. The articles, proclaiming the continued existence on OPEC a "national security issue," appeared only days after highly placed sources at one of the magazines revealed that the U.S. State Department was altering editorial deadlines and forcing last-minute changes in U.S. newspapers and news journals to issue the line that, as one source described it, "The U.S. ought to nuke the Saudis."

All the articles concur on one issue: that the payment of dollar debt be maintained uninterrupted. Thus either OPEC rolls back the price of oil or OPEC must finance the debts incurred directly or on a giveaway basis through international institutions and auctions of oil at the lowest price. In the meantime, the U.S. and Western European economies must prepare to "meet the crisis" by imposing top-down fascist controls. Already these press are urging Carter to stockpile oil, impose oil rationing and launch open economic warfare on the OPEC nations to bring them to their knees.

That the State Department press is squawking so loudly over OPEC — an organization which in the past has rarely hesitated to follow Rockefeller's script — and Saudi Arabia — a Rockefeller satrapy for many years — is testimony to how quickly these oil producing countries are slipping. That, according to the articles, is an issue of war.

Business Week, Dec. 20: ...So far the U.S. and its allies have virtually acquiesced in OPEC's price policies, making no attempt to break up the cartel. But the economic consequences of high oil prices now appear so severe and the political implications so explosive that experts are beginning to say that the risks of acquiescence far outweigh the risks of a determined effort to get the price down...

If OPEC decides on a small increase or no increase at all, the world will breathe a lot easier. But not for long. If the consuming nations continue to tolerate the cartel's policies, once the economic recovery picks up some steam, OPEC will be back to take its share — and more....

... "The question is not whether a 5 per cent or 10 per cent increase in the price of oil is absorbable," says Robert Hormats, a senior economist at the National Security Council. "The question is how to survive the