

contract with Iran to increase production of landrovers for export to that country by 50 per cent in 1977.

— British Trade Minister Edmund Deli, in Iran to preside over a joint Anglo-Iranian ministerial commission, will meet with the Shah of Iran and discuss extending the oil barter deals beyond defense contracts and into the civilian sector, for a possible total value of £1 billion.

France

1- 3 — The oil companies Elf-Aquitaine and CFP-Total are negotiating with Saudi Arabia for a 3-year contract to supply France with 36 million tons of oil. This would be a 30 per cent per annum increase in current imports, now at 9 million tons per year.

— A consortium of French companies (including Pechiney-Ugine-Kuhlman subsidiary STES, a joint PUK-CFP subsidiary MINATOM and two engineering firms) have signed an agreement with the Algerian government for the development of the Algerian nuclear industry, including extraction of known uranium reserves.

1- 5 — After concluding a visit to Syria, French Foreign Trade Minister Rossi announced the formation of a joint company Sircotel for the construction of a telephone system and another joint company for steel production. Further

cooperation may include chemicals, petrochemicals, damming, irrigation and extraction of mineral resources.

1- 6 — President Giscard meets with Saudi Foreign Minister Al Faisal, in preparation for his upcoming trip to Saudi Arabia when a nuclear project will be discussed.

Norway

1-11 — Norsk-Hydro and a Japanese company will jointly build 5 fertilizer plants in the USSR.

Sweden

1-11 — The Swedish electrical company, ASEA, will deliver industrial process computers to Poland as part of a contract worth 70 million Swedish Croner (approximately \$18 million).

Finland

1-11 — Finland will supply Egypt with 3 million Swedish Croners worth of credit (approximately \$750,000) for the electrification of 50 Egyptian villages and will build a new power system in Cairo.

Calls for Commodity Stockpiles Based on Plans for War

COMMODITIES

This week the National Commission on Shortages and Supplies (NCSS) released an extensive report entitled "Government and the Nation's Resources" calling on Congress to increase the National Strategic Stockpiles of raw materials. NCSS calls for this because of the danger of "local wars and civil disturbances" which would result in supply shortages. The Commission notes specifically the possibility of war in southern Africa on which the United States is dependent for many of its strategic requirements, including copper, manganese, chromium, cobalt, asbestos, uranium, paladium and platinum, as well as gold.

The NCSS was created and funded by an Act of Congress in January 1976 at the instigation of Democratic Senators Humphrey and Mansfield. The Chairman of the NCSS is Donald Rice, who is also the President of the Rand Corporation; a prominent member of the Commission is Philip H. Trezise who is also a Senior Fellow of the Brookings Institution.

The October 1, 1976 rulings of the Federal Preparedness Agency (FPA) determined several significant changes in U.S. stockpile policy. As of that date, U.S. strategic stockpiles of copper were zero. The FPA raised the level of the copper stockpile to 1.3 million tons. Paladium and platinum stocks were also to be increased from 328,00 and 187,500 troy ounces, to 2.5 and 1.3 million ounces respectively. Additionally, the decision was made to store aluminum feed as alumina rather than bauxite, a step closer to immediate war availability, which eliminates the need for the large energy expense at the transition stage in a period of crisis.

An important component of the stockpile operation is the fraud that is about to be perpetrated on the Third World with the complicity of certain members of the United Nations Conference on Trade and Development (UNCTAD). This is the great buffer stock commodity for price stability scheme. While UNCTAD is trying to encourage Third World leaders to contribute to such buffer stocks, the Executive Director of the NCSS told an independent reporter that they saw the stocks, some of which would be held in the U.S., as a supplement to the

Strategic Stockpiles. Even excluding the outright seizure of the stocks in a period of "local war," he said, the war would result in a rise in the cost of the commodity necessitating, under the agreement, the sale of the stocks!

It is no secret that the same sources who are calling for "defensive" stockpiles are complicit in starting the conflicts against which they are purporting to hedge.

EIR has previously documented that the U.S. and NATO have been providing arms and training to the South Africans and Rhodesians and have made every effort to sabotage British attempts to peacefully resolve the crisis in the area. Nelson Rockefeller and Henry Kissinger and the other controllers of Carter's Administration are prepared to run extended warfare in southern Africa and other regions to create instability to preclude Third World nations from gathering sufficient muscle to implement the new world economic order program called for at the Colombo Conference of Non-Aligned Nations last summer.

Rice and Trezise were the prime movers of the Commission and typify the private intelligence apparatus behind the Carter Administration. (The broader geometry and details of this apparatus have been published in the U.S. Labor Party's "A Special Report to the U.S. Population: Carter and the Party of International Terrorism.")

Trezise is also a member of the Council on Foreign Relations (CFR) and a member of the Center for Law and Social Policy's (CLSP) Board of Advisers. Another Brookings Senior Fellow, C. Fred Bergsten, who was a principal witness before the NCSS is also a Council on Foreign Relations member and a CLSP Adviser. He is Carter's nominee for a senior Treasury post. Former Brookings Senior Fellow Charles Schultze, whom Trezise described as "a very reasonable fellow who would look favorably on this study," has just been named to be Carter's Chairman of the Council of Economic Advisers. Bergsten is also a member of the Trilateral Commission.

David Rockefeller is Chairman of the Board of the Council on Foreign Relations and personally created the Trilateral Commission of which he is a member of the Executive Committee.

The Trilateral Commission is the Carter Administration. Trilateral members include President Carter, Vice President Mondale, National Security Council Brzezinski, UN Ambassador Young, Secretary of Defense Brown, Secretary of the Treasury Blumenthal, and Secretary of State Vance.

But the reason for choosing the President of Rand Corporation to head the task force charged with the responsibility of ensuring that the U.S. has the resources it needs before it launches full scale regional wars in various parts of the globe are deeper than personal connections.

Rand has always reflected the "utopian" perspective of military strategy, originally charted by the Strategic Bombing Survey during World War II. Former Atomic Energy Director, CIA Director, and Secretary of Defense James Schlesinger, who in the Carter regime would have responsibilities over certain commodities from southern Africa (the NCSS wants to create a Cabinet post of Energy and Raw Materials) was formerly director of Rand's Strategic Studies Division.

One of the principal functions of the Rand Corporation is to draft various "scenarios" for regional wars. As exposed in the Egyptian paper *Rose El Yousef*, Rand drew up the bloody Lebanon Civil War scenario. In 1974 Rand also drafted the scenario for the "War of the Pacific" between Chile and Peru — two of the largest copper exporters to the U.S. In 1975 Rand staffer Jenkin released a scenario entitled *High Technology Terrorism: Surrogate Warfare*. Rand has also researched scenarios for southern Africa.

According to the NCSS report, "Determination of targeted quantities for...the Strategic Stockpile is currently undertaken by the National Security Council on the basis of analysis by the Federal Preparedness Agency of U.S. defense and civilian requirements...The FPA employs a sophisticated set of models to determine annual supply-requirement imbalances for strategic commodities under various wartime scenarios." (emphasis added) On Oct. 1, 1976 on orders from Kissinger the FPA raised the war scenario time period from one year to three years (that is the period of time during which the U.S. should be prepared to be involved in a war or be subject to supply cut off because of one) thus variously tripling the stockpile requirements.

The Commission report states that, "The stockpile quantity targets are set by applying one scenario which the National Security Council directs the Federal Preparedness Agency to use for planning purposes."

There is little doubt that, in addition to other volatile areas, the NCSS has southern Africa particularly in mind. Says Rand President Rice in the report, "...the growing military and political tensions in southern Africa come to mind in this connection....Interruptions in supplies might be relatively complete and prolonged...as compared with the improbable threat of a deliberate embargo, the possibility of supply disruption (from) local hostilities seem real enough to warrant policy attention."

A few figures highlight the point. The following represent percentage U.S. dependence on external source for selected commodities:

	<i>Chromite</i>	
USSR		28%
South Africa		19%
Rhodesia		8%
	<i>Manganese</i>	
South Africa		36%
USSR		19%
Gabon		9%
	<i>Cobalt</i>	
Zaire		67%
Zambia		9%
	<i>Platinum-Paladium</i>	
USSR		47%
South Africa		46%
	<i>Copper</i>	
Zambia		12%
Zaire		8%

The NCSS serves as the principal spokesman for a broad range of private intelligence networks which are being mobilized to push the stockpile and other war preparations. Significantly, the NCSS has contracted specific research projects to Charles River Associates of Cambridge, Mass., the Arthur D. Little Company, the Stanford Research Institute, and Wm. Barber Associates.

Charles River has former Rand and Brookings members on its staff. CRA has studied specific stockpiling proposals and has recently completed a study of the extremely vulnerable South African railroad routes which could easily be sabotaged, effectively cutting the U.S. off from the strategic materials. Last year the southern African railway system was the prime subject of a study by the Washington Office on Africa, a small think tank in the Capital. WAO Director Edgar Lockwood is a member of the Board of Trustees of the Institute for Policy Studies (IPS) and is a Director of the American Committee on Africa. The Institute for Policy Studies has written civil war scenarios for Rhodesia and South Africa. IPS co-director Marcus Raskin was a former member of the NSC and assigned to the NSC "Special Staff" responsible for overseeing covert operations and nuclear war planning. W. Anthony Lake, author of the *Tar Baby Option* (a race war scenario for

southern Africa prepared for the NSC) is Director of the International Voluntary Services (IVS). IVS is funded by several foundations including AID and is the Africa-oriented part of the Transnational Institute, the Third World penetration arm of the IPS. Lake has been nominated as Carter's Head of Office of Policy Planning at the State Department.

Not coincidentally Carter's nominee for HUD, Patricia Harris, a Director of Rockefeller's Chase Manhattan Bank, is a member of the Fried, Frank, Harris, Shriver and Kampelman law firm. Kampelman is General Counsel to the Committee on the Present Danger. Sam Harris, who headed Wall Street Lawyers for Carter and who is the Harris in the firm's title, is a Director of Rio Tinto Zinc Ltd. of England, which has vast mineral holdings throughout southern Africa. Another member of the firm, Robert Preiskel, was the attorney who helped set up the Congress for Racial Equality (CORE), which actively and openly recruited mercenaries throughout the U.S. and Europe to fight with the CIA's UNITA and FNLA against the MPLA in Angola.

Arthur D. Little Co., in addition to providing back-up for the NCSS research, drafted the reorganization scheme for the Atomic Energy Commission, helped derive the commodity indexation scheme with Bergsten support, and helped work up Project Independence legislation.

Industry Braces for War, Supply Cutoffs

CORPORATE AFFAIRS

The U.S. corporate sector is under intensifying pressure to accept a Fortress America policy. Exemplary of this trend, the recent \$1.3 billion bond issue floated by Cleveland-Cliffs Iron Company, Jones and Laughlin Steel Corporation, and other U.S. and Canadian iron ore and steel producers to expand their Marquette Range mining operations was privately placed. The investors said the higher cost of mining iron ore in the U.S. compared with Latin America was outweighed by strategic considerations — the imminence of regional wars breaking out around the globe and the threat of further expropriations of U.S. investments.

According to a spokesman for Cleveland-Cliffs, the decision to expand operations at two mines in the Upper Peninsula of Michigan reflected a "change in philosophy" — a growing wariness about investing in overseas properties after Venezuelan and Peruvian nationalizations and worry about general political instability. The expansion program is scheduled to begin yielding additional iron ore tonnage by mid-1979, which will supply the participating steel companies.

There are indications that corporations are adapting to a wartime perspective in the short-term. The most obvious example of this is heavy purchases of ferromanganese by steel producers and other industrial

users in anticipation of the outbreak of war in South Africa and cut off of the only source of supply of that commodity. In addition, commodity traders indicate that the recent stronger buying of copper, tin, and other metals may be due in part to corporations getting into those metals not only as a hedge against inflation, but in case regional wars disrupt normal supply flows. Spreading this wartime mentality, the National Commission on Shortages and Supplies (NCSS) this week called on Congress to increase the National Strategic Stockpiles of raw materials because of the threat of "local wars and civil disturbances." The NCSS report pointed in particular to southern Africa, which supplies the U.S. with copper, manganese, chromium, cobalt, asbestos, uranium, and other critical raw materials.

These developments are taking place against a backdrop of moves by key Atlanticist-controlled corporations such as General Electric and Atlantic Richfield (ARCO) to ensure that they have supplies of vital raw materials under control. On Jan. 12, just hours after a Federal Appeals Court Judge turned back the Federal Trade Commission's attempt to block Arco's acquisition of Anaconda, the merger was completed, giving Arco access to uranium oxide as well as copper mining and refining industries. The uranium oxide, used in making fuel for nuclear reactors, gives the major oil company further control over alternate sources of energy, in the tradition of the Continental Oil purchase of Consolidation Coal.