

East in order to conquer the Arab oil fields. But because the survival of the West depends on the East, and to be more precise, on the oil fields in the countries in this region, NATO will immediately intervene with its arms. The Third World War will break out, everything will go up in ashes, but the Russians will conquer because they are better armed and prepared. Because of its thoughtlessness, the West will go to pieces.

"What is to be done, in order to avoid this catastrophe?" the authors of the New Apocalypse ask themselves. But they are apparently not so gifted as John the Evangelist, for they come up with an answer that is more than primitive: The West must re-arm and continually re-arm, to conceivable and inconceivable levels.

No matter how sad this all may be, these insinuations have been spread around the world through the press, radio and TV. And at the same time, a new 110,000 man powerful combat corps has been set up. This "Quick Strike Force," as it has been baptized by the Pentagon, consists of two airborne divisions and two Marine divisions, along with 600 to 1,000 combat planes, aircraft carriers with nuclear weapons on board, as well as destroyers....

I believe, dear reader, that it is now clear why the Western mass media has patented the idea of "anti-Sovietism around petroleum." Its inventors are convinced that only the Marines can set up stable prices for Arabian crude oil. One day they will do that for sure, and there will be a lot of noise and complications around this. Therefore, one must first give the Russians a kick in the shins before anything else is done.

By the way, I would like to mention that the leaders of the Arab OPEC countries have repeatedly warned that they will blow up the oil derricks and set fire to the oil fields, in the event that the airborne divisions concern themselves with the problems of establishing the price for oil. And these leaders are by no means pro-communist.

While the propaganda makers labored with the formulation of "anti-Sovietism around petroleum," the USSR conceptualized the production of all forms of fuel in terms of growth, and not decreases, despite the CIA prognosis. They have made not a little progress in this: in the course of the first four years of the 10th Five Year Plan (1976-1980), the production of crude oil and gas condensate increased by more than 100 million tons. In the same period of time, Soviet geologists have discovered more than 100 new crude oil, natural gas, and gas condensate fields.

It is well known that the USSR is first in the

production of liquid and solid fuels in the world, and has considerably overtaken the U.S.A. ... I maintain it is necessary to bring these facts to those people's attention who have worked out very real plans to conquer the Mideast oil fields on the basis of vague allegations about coming Soviet energy difficulties.

The enemies of détente have set up the "Soviet threat" as a kind of axiom underlying all suspicions, even the most senseless. It is only through this that one can explain the tragic situation in which playing with world war has become the fashion. Some particularly reactionary politicians of the West are intimidating everyone with the "Soviet threat," but at the same time they are occupied with by no means harmless plans for the occupation of oil-producing countries.

The European Monetary System saved the dollar

This unusual commentary on the fall of the dollar by the Soviets' Novosti press agency drew the scrutiny of the Executive Intelligence Review's Soviet Desk as a departure from the usual Soviet press view of the European Monetary System (EMS) and its relation to the dollar. Whereas the Soviets have tended to write off the EMS as merely a new instance of "intra-imperialist rivalries" setting the countries of Western Europe at loggerheads with the United States, Novosti's Valeri Begishchev correctly points out that the EMS in fact helped to support the dollar, and that it was politically intended to do so by the EMS's leaders.

'The situation of the dollar: Western skies still clouded'

Amidst the stormy debates over the energy crisis, somehow the topic got submerged that was recently one of the most important in the West: the topic of instability of currencies and above all of the dollar. The fuse on this timebomb inside the capitalist economy is nevertheless still live, and economic experts on both sides of the Atlantic monitor its tick-tock with concern. The problem is that the U.S. dollar remains the most

important reserve currency of the nonsocialist world, at the same time that it is, however, one of the softest, least reliable monetary units.

The relative quiet on the currency exchanges since the end of last year, after the U.S. government announced dollar-rescue measures, has already been destroyed several times. In January, as it emerged that these measures would be roughly twice as expensive as planned, the monetary powers in Western financial centers went into a sort of shock. The reaction took the form of a new wave of speculation, with the dollar falling and gold appreciating markedly. Then, to all appearances, the situation stabilized, and even to a certain extent improved from the point of view of holders of the American currency. As several observers commented, the dollar in fact was supported by the creation of the European Monetary System, since the central banks of the "Common Market" countries actively bought dollars in the first months of this year, in the effort to preserve from collapse the mechanisms constructed with painful effort. In addition, the volume of dollar payments rose in the international oil markets, especially in light of the June OPEC meeting.

The most experienced financial minds, however, have not hastened to announce their satisfaction, because the record price of gold (around \$280 an ounce throughout June, while it first reached \$250 in February and was \$220 at the beginning of January) attests that confidence in the American currency has not at all been restored.

And actually at the end of June came a turning point as soon as it was clear that the Tokyo meeting of the leaders of the strongest Western countries did not produce a radical solution to the oil problem and that the OPEC conference displayed the resolve of the oil producing countries to defend their interests despite increasing pressure from the imperialist powers. The dollar began to fall again (e.g., within a few hours it dropped about 4 percent against the D-mark) and an ounce of gold at the beginning of July already cost \$289.

Could it be that these forceful jolts are forewarnings of a real earthquake? Many facts point to this conclusion.

The Camp David energy conference, prolonged as it was, in all probability shows that the White House has to seek a "quick fix" solution to this question and thus it will hardly be the best one. In this case, American oil imports will stay at least at the prevailing level, and consequently there will be no diminution in the trade

deficit which is strongly undermining the dollar's position. ... The effort to bring U.S. inflation under control has come to naught, and its tempo already exceeds an annual 13 percent and in all likelihood will climb further because of raw materials price increases. Since the recycling of dollars into the reserves of other countries continues (according to the American magazine *Foreign Affairs* the official and private assets in dollars and Eurodollars is over \$700 billion), the export of inflation also continues, which convulses the entire capitalist monetary system. Under these conditions the efforts of foreign investors to convert their dollars into another more stable currency or into gold seem thoroughly natural. If the Western central banks are not able to prevent this development at a critical moment, it can turn into a real catastrophe.

At the same time, the persistent inflation in the West will undercut the oil exporting countries' profits (up to now Kuwait alone has lost \$400 million a year this way). Already, in the middle of last year, the OPEC countries, seriously concerned about such a situation, deliberated whether it would not be more appropriate to calculate oil prices not in American but in some other, stable, currency unit. At the time, this news disturbed the White House to the degree that the U.S. Treasury Secretary and his undersecretary for monetary questions sought an urgent meeting with the Saudi Arabian minister for finance and economics, who was recuperating in California. Finally, he tried to reassure Saudi Arabia, which with 50 billion dollars worth of assets, did not wish to risk a continuation of the present, tense situation in OPEC. But for how long? Not all OPEC members are so moderately inclined. Iran, for example, recently made it known that it would actively conduct oil transactions in yen, deutschemarks, and Swiss francs as well as dollars.

This did not go unnoticed in the currency markets and was a further impulse for the dollar's fall. Naturally Iran per se is not decisive; if, however, others follow its example, there will be hard times for the greenback.

The Western economy resembles more and more a purse stuffed to the top with knives. Soon one knife or another will rip the flimsy material, and it will take a great deal of exertion to get the clanging knives back into the bag. Today the energy problem poses the biggest puncture point, but the exchange-rate problem threatens capitalism with an equally dangerous wound.

—Valeri Begischev,
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