

agents under the command of ex-CIA director Richard Helms.

Saudi Arabia, the other major Middle East oil producer, was forced into a production cutback in the past two months because, according to reports published in the *Wall Street Journal* August 27, Aramco's parent companies (Exxon, Standard Oil, Texaco, and Gulf) refused to ship more oil in a deliberate attempt to reduce the world crude oil supplies. In addition, Aramco first drastically cut pipeline shipments arguing that reduced oil-carrier cargo rates make sea transport more profitable. After thus cutting pipeline transport by 60 per cent, Aramco announced a cut in sea shipments because of "bad weather" — a condition in the Persian Gulf that has not bothered seagoing vessels since the days of Sinbad the Sailor.

In short, in every oil-producing country except Iraq, the present production cuts are carried out on orders by the Rockefeller tribe. Iraq itself was forced first to curtail its pipeline shipments by 60 per cent because of sabotage and military operations by the CIA force of Kurdish guerrillas under General Barzani that threaten to burn the Kirkuk oilfields as well as the pipelines. Only as a result of these transportation difficulties did the Iraqi government curtail its production.

Project Independence

This new Oil Hoax is the strongest piece of evidence — and a conclusive one — that the capitalist leadership around the Rockefeller faction has made a risky decision to "damn all torpedoes" and try to put the working class here and in Europe through the wringer in the next three months.

Oil Hoax to be Followed by Massive Power Cuts, Gas Shortages

Sept. 15 (IPS) — The Rockefeller brothers are backing up their new Oil Hoax with massive cutbacks of electrical power and natural gas production in the U.S. Even before the full effects of Rockefeller-ordered Arab and Venezuelan oil production cuts hit on the North American continent, the working class will find its factories and homes without heat and electricity on a broader scale this winter than last year, and tens of thousands of workers will hear their layoffs attributed to the phony "energy shortage."

In recent months U.S. electrical utilities have scrapped approximately \$12 billion in new plant construction and reduced normal maintenance budgets to near zero, bringing the nation's electric power network to the brink of widespread mechanical breakdown in an effort to refinance Rockefeller-manipulated skyrocketing company debt. Utility rates have increased by 25-100 per cent in many areas.

Following last winter's 10-15 per cent cuts in natural gas production, the Federal Power Commission has announced that "tight supplies" of natural gas will force gas companies to curtail deliveries by more than 25 per cent this winter, while Rockefeller spokesmen are demanding the elimination of all pricing restrictions on natural gas, a move that would immediately double prices.

Ford Foundation Work Camps

IPS intelligence personnel have discovered an unpublished Ford Foundation report, scheduled for release at the height of "energy crisis" hysteria in October, which blueprints the fascist labor-intensive, deindustrialized society Rockefeller aims to create if he can crush working-class resistance with his total energy cutoff. It is this vast human recycling mill on the Brazilian model, not the grabbing of a few paltry millions, which is the purpose of the 1974-model Oil Hoax and related Rockefeller-enforced energy destruction.

Directed by fascist planner David Freeman, head of McGeorge Bundy's Ford Foundation Energy Policy Project, the report calls for the resettlement of more than one million people into 20 rural concentration camps, to be established in "underdeveloped areas" of the U.S. In these so-called communities, workers and their families will live exclusively in **barracks**; private single-family housing will be banned. Privately owned automobiles will be forbidden. All production will be organized on a labor-intensive basis "to provide job opportunities for the unemployed." A modified version of the plan is proposed as the basis for reorganizing U.S. cities.

To manage energy non-production toward this goal, Rockefeller man William Simon, Secretary of the

Treasury, has formed a new "unofficial" government body to coordinate energy policy ... from the Treasury Department! This will remove immediate operational control of "energy crisis" organizing from the fumbling fingers of John Sawhill, Simon's successor as chief of the Federal Energy Administration. Sawhill has been an embarrassment to the Rockefeller conspirators as he stumped the country for the Project Independence energy swindle, whose advertised goal — making the U.S. self-sufficient in energy production — Sawhill publicly admits is impossible. Sawhill has failed to line up even oil company executives behind some features of the energy projects: Mobil Oil President Tavoulaareas openly admits that oil shale and tar sands development is ecologically, technologically, and financially unsound.

Breakdown of Power Industry

The imminent breakdown of the electrical power industry as a result of the widespread equipment failure has been engineered deliberately by Rockefeller-controlled banks and investment houses. In recent months, following the removal of utility bonds' tax exempt status last year, investment bank consortiums headed by David Rockefeller's Chase Manhattan Bank, First National City Bank, and Lehman Brothers, which normally buy new utility bond offerings for resale in smaller blocs to individuals and corporate investors, have refused to purchase new issues. When outright refusal has been impractical, by prior arrangement only one of the major banks would appear at the bidding and submit a contemptuously low offer.

In consequence, utilities have been forced to turn to commercial banks for direct short-term loans, expanding their interest payment schedule geometrically. This means that they are borrowing more money at higher costs to pay off past debts — a typical Rockefeller loan shark operation.

In recent months this has been reflected in rate hikes of 25-100 per cent in most regions of the country. To begin with, last January's steep rise in costs of oil was used to institute an automatic pass-through of utilities' fuel costs. In June Sawhill held his first utilities emergency meeting to encourage state utilities commissions to institute this automatic pass-through procedure for **all** additional costs. Two weeks ago Lehman Brothers held a "state of emergency" meeting of bankers, utility executives, and state commission members to cover the orderly retreat of capital out of the utility industry. Now Sawhill has called his second emergency meeting for Sept. 19-22.

Winter Storm

This second meeting will ratify large-scale destruction of electric power capacity, as new strategies are put into operation to milk consumers and reduce operating costs

to pay off expanding debt. Few utilities will weather the storm of debt collection this winter, as older and inefficient plants are "rationalized" out of existence under the cover of "conservation of energy." The extent of this catastrophic "rationalization" will be determined directly by whether the Rockefeller cabal estimates that working-class resistance can be contained in the safe arena of discussion of "how much energy must we conserve" and "make sure your neighbor doesn't take more than his share," or whether it spills over into political organizing for fusion power development.

But there can be little doubt that the first severe winter storm will wipe out large quantities of neglected, unreinforced overhead wiring. It will take already short-manned repair crews weeks to restore the overhead wires. An electrical blackout will not only force workers' families back to candles, but, as oil and natural gas furnaces in homes are electrically regulated, will result in heating cutoffs in homes as well. The standard of living once available at the flick of an electric switch will become a matter of life and death this winter.

Not only has the \$12 billion slash in construction of new generating plants eliminated tens of thousands of construction jobs, but it has cut orders for heavy equipment from ten or so small speciality manufacturers and the two giants, GE and Westinghouse. Reductions in orders of turbines, boilers, reactors, and generating motors have resulted in chain-reaction production cuts in high-quality steel for industrial machinery. Tens of thousands of skilled workers in heavy industry are being laid off, to be offered re-employment in labor-intensive primitive energy extraction in the Rocky Mountain States, or on isolated labor-intensive oil rigs in the Gulf of Mexico.

At the same time that Simon and Sawhill are calling for de-regulation of natural gas to double prices immediately, the Federal Power Commission has announced at a Southern Governors Conference in Texas that "tight supplies" will force the gas companies to curtail supplies 28 per cent this winter. Utilities, industries, and schools will be forced to re-equip their furnaces for oil — or close for lack of natural gas. In many areas where heating oil will also be rationed, there will be no alternative but to close.

Natural gas rationing will hit hardest the small plants in Ohio and parts of Indiana which service the auto industry with automotive parts on contract and other aspects of manufacture. Tens of plants employing hundreds each closed last winter because the small owners did not have the capital to re-equip their furnaces for oil-burning. The damage this year will be more severe and widespread.



The Shah of Iran graciously offers to milk India's sacred cow, Indira Gandhi, to further Rockefeller's genocidal policy of depopulation and de-industrialization of the Indian economy. Out of India flows its agricultural resources, its steel and iron industries, and its wealth of educated unemployed to man the Middle East industries.