

be made. So the possibility of a new war in Vietnam which could involve Russia and China sent prices soaring yesterday. Not the soft commodities which have no strategic uses, but the hard commodities, the metals which can be needed in a conflict.

*On the same day, the London *Guardian's* commodity column, headlined "Metal Prices Soar on Chinese Attack," observes that "Strategic materials, such as metals, came in for most attention and record prices were reached on the London Metal Exchange.... Leading the way was copper.... Support for the metal was further prompted by news that Rhodesian forces had attacked the Patriotic Front bases in Zambia. This immediately raised fears of a conflict in Africa which could threaten supplies from the African copper belt. The rise in copper dragged up other base metal prices."

—Richard Schulman

FROM OUR COMPETITION

The Economist on spot oil pricing

Our regular check on the accuracy of the London Economist turned up the following in the publication's Feb. 17 issue:

The Economist:

"The world oil market is inherently unstable.... Round the fringes (of the OPEC countries and the huge oil companies—ed) run a growing band of small independent traders, powerful enough collectively to dictate the pricing structures of the giants and ultimately to influence the listed prices of the producing countries."

The facts:

Spot-oil-price-determining trading companies like Philipp Brothers are controlled by the same British oligarchs who control Royal Dutch Shell and British Petroleum, a fact well known in the oil industry. The *Economist's* Rothschild family owners, significant investors in Royal Dutch Shell, know this.

able billions of hard dollars for a Third World industrial development boom. No one would have to fight over markets.

It is the City of London, fearing such an EMS-Tokyo-Dollar link-up, which has used all its influence in Washington to create instead a U.S.-Japan conflict. The staffer for the House subcommittee, a center of Britain's Brookings Institution thought, said as much directly:

"It will be the U.S., Canada and Britain pushing for making trade issues the focus...The summit is going to be embarrassing for Japan." The subcommittee has just advocated consideration of import surcharges against Japanese goods.

Japan's trade negotiator, International Trade and Industry Vice-Minister Toshikazu Hashimoto, faced a complete "stonewalling" when he arrived in the U.S. for talks with Special Trade Ambassador Robert Strauss earlier this month.

Hashimoto had expected a "short round" of talks clearing up the final details since the two countries had just agreed on terms for the Multilateral Trade Negotiations (GATT). Instead, according to an individual privy to the talks, Strauss presided imperiously while his staff of young Harvard Business Graduates, former International Monetary Fund officials, and former members of such consulting firms as London-linked McKinseys did the talking for him. "They refused to give an inch. We used all our ammunition, made concessions, but they refused to budge." At points Strauss interjected that his hands were tied by pressure from a Congress itself under unbearable pressure from labor unions, steel firms and shoemakers back home.

Insiders remarked that while Strauss often does act in such a "horse-trading" manner vis-à-vis Congress, at present he is simply

going along with new instructions to "stonewall" by the Blumenthal-Solomon-Brookings Institution group in the Treasury Department. This explains why the protectionist threats, dropped for six months, have suddenly resumed. "There is a group in Treasury around Bergsten and Solomon working very closely with the House subcommittee on this. This group is hot to get Japan on the trade issue," explained the Vanik staffer. At the top level, Japanese officials are not taken in by the "pressure from Congress" pretext. Special emissary Nobohiko Ushiba — a former ambassador to the U.S. who was in Washington earlier this month — is said to believe that on trade and protectionism, the Administration sets the tone for Congress and not the other way around.

—Richard Katz