

# The battle over energy

## *Producer-consumer plan counters London's oil hoax*

A major political fight is presently underway in every major world capital over global energy policy in the wake of Iran's Dec. 26 shutdown of its 5.5 million barrels a day of exports. The European Community and the leading members of the Organization of Petroleum Exporting Countries (OPEC) — notably Saudi Arabia and Iraq — have made it clear that only an institutionalized producer-consumer cooperation can resolve the energy problem and forestall another fullscale crisis. U.S. Energy Secretary James Schlesinger has informed Europe that Washington at present does not support that initiative.

Schlesinger, in alliance with the Anglo-American Eastern establishment and the Zionist Lobby's congressmen, Church, Jackson and Javits, is moving to force an oil crisis as part of an international effort led by the City of London to destroy its greatest rival, the newly formed European Monetary System (EMS). As this section will show, there is no oil shortage. In fact, in January of 1979 total OPEC output was higher than January 1978, even with Iranian exports completely shut off.

What Schlesinger and his allies are counting on is a major sabotage of the Mideast oil fields. The Camp David separate Mideast peace is calculated to provoke the Arabs into oil retaliation. Earlier this week, Palestine Liberation Organization chief Yassir Arafat called for an embargo against the U.S., feeding Washington's oil crisis mongers. Our OPEC coverage will detail the relationship between the upsurge of price hawks and the anti-Western Islamic Fundamentalist Muslim Brotherhood. Just this week the president of Afghanistan, who is being challenged by Muslim insurgents, publicly declared that Islamic reaction is being run out of Paris and London.

The scheme to force higher OPEC oil prices is part of a broad plan to soak up dollar reserves from Japan and Europe via the OPEC nations. Our Japan story shows this ploy aimed at increasing petro-dollar deposits in London and the U.S.

The oil weapon, as in 1974, is being brandished by

the same London-Israeli machine, and for the same reasons: to halt world economic growth which threatens its financial and strategic interests. The current crisis could conceivably destroy the U.S. oil industry. U.S. oil's alternative is spelled out in this section. In broader terms our concluding story on producer-consumer cooperation shows the global alternative to energy blackmail. The question is, will Europe, Japan, and their industrial U.S. allies collectively flex their political muscle sufficiently to challenge London and Washington?

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## What is shaping OPEC pricing policy?

Within every member nation of the Organization of Petroleum Exporting Countries (OPEC), there is a debate growing over fundamental economic policy. That debate has and will continue to affect the pricing and production policies of the cartel as a whole.

The recent pattern of individual OPEC nation price hikes is to a great extent symptomatic of the influence of political elements within each country which not only favor a short-term monetary gain off of the tight supply situation sparked by the shutdown of Iran's oil exports, but also espouse a radical anti-Western foreign policy orientation. March 26 marks the date of an OPEC consultative meeting where the power of this "price hawk" faction will be measured by their ability to win a majority for a second price hike in 1979.

To date, only Saudi Arabia and Iraq have exhibited an inclination toward moderation and cooperation with the consuming nations on future oil policy. But even within these countries the militant price hawk faction is waging a strong opposition. Within Africa and the