

# Rockefeller Launches Campaign To Smash OPEC

*Rockefeller press and political conduits from former Secretary of State Henry Kissinger on down launched an all-out campaign this week against the Organization of Oil Exporting Countries. The aim of the simultaneous assaults on OPEC is twofold: first to try and force the oil rich nations into supporting the New York banks slated to go under when Western Europe and its Mideast allies move to dump the dollar and go with a gold standard; and second, to manipulate an oil crisis as an excuse for the imposition of fascist austerity and conservation policies in the U.S. We need jobs for our youth, a mid-week New York Post editorial proposed, productive jobs, and the way to get them is by smashing OPEC.*

*The common thread running through the attacks is panic at the current situation — the dollar's fall, unemployment, etc. — and a location of the solution in smashing OPEC. The argument was posed in a completely psychotic fashion.*

*Excerpts from this week's speeches, interviews, and articles on OPEC follow.*

*Henry Kissinger Aug. 2 to the National Conference of State Legislators:*

*"...For the first time in our history, a small group of nations controlling a scarce resource could over time be tempted to pressure us into foreign policy decisions not dictated by our national interest... In another Middle East crisis the vast accumulated petrodollars could become a weapon against the world monetary and financial system."*

*Joseph Kraft in Baltimore Sun, Aug. 2, 1977:*

*"...Dollar doldrums have spread confusion which threatens to subvert (Blumenthal's) whole new policy... Acts of reassurance — like the visit to Fort Knox — and words of explanation are in order.*

*A good starting point is the \$40 billion surplus which the oil-exporting countries, grouped in the OPEC cartel figure to derive this year from the increase in prices they have imposed on the world since 1973. The OPEC surplus this year, as in the past, is a kind of tax on all oil-consuming nations. It promotes a slowdown...it promotes inflation. Thus the oil price increases have combined with the business cycle and the demands of the welfare state to put most of the world in bad economic straits for the last three years."*

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*C.L. Sulzberger in the New York Times Aug. 3, 1977:*

*"...A certain urgency has been given... by gloom on the economic horizon. Any optimism that still existed at the*

*time of the London summit, concerning an end to the threats of a recession, now seems to have vanished.*

*... A coordinated diplomatic program designed to urge immensely wealthy underpopulated petroleum-producing lands like Saudi Arabia or Kuwait (for example) to lend enormous sums to international organizations for the development of the mainly poor Third World: sums on the scale of tens of billions of dollars, not billions. Only in that way can new markets be developed for the choking industries of the West."*

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*Excerpts of a conversation between a representative of Morgan Guarantee Bank and Ira Nordlicht, staff counsel to Senator Church's Subcommittee on Foreign Economic Policy:*

*Morgan:* We understand that you will shortly be issuing a subcommittee report attacking OPEC for the economic crisis.

*Nordlicht:* Yes. It should be out in about two weeks. It still has not yet been read by all the senators. But it will deal with petrodollar recycling, the relationship of international institutions to the private financial sector, and the constitution of LDC (Lesser Developed Country) debts.

*Morgan:* We are very concerned about the widespread European rejection of the Carter Administration demands that they help solve the debt crisis.

*Nordlicht:* Yeah. They don't like it, and the \$25 billion trade deficit — at least that — won't help matters for the dollar.

*Morgan:* We need help on the LDC debt problem. The OPEC nations have refused to pitch in to the IMF if the funds will go to helping us out. Can you guys help?

*Nordlicht:* Well, I can't give you all the details on the phone, but we are all discussing the possibility of government guarantees of yours and Chase's loans. We plan to raise this matter of guarantees at the subcommittee's Aug. 6 hearings on the Witteveen facility. Look, can you give us some information?

*Morgan:* Well there are limits...

*Nordlicht:* Confidentially, how vulnerable are you? I mean the situation is very serious. If OPEC makes a wholesale movement out of your banks...it is of great concern...The question now is what percentage of their deposits are short-term or demand? We are especially concerned about Kuwait, Saudi Arabia, and the Emirates.

*It would be to your advantage to give us some of this information. You wouldn't want to have to come to us for help without advance notice when they pull the rug out from under you, would you?"*