

Third World Offensive Makes Shambles of Washington's Policy

by Dave Goldman

June 24 — Escalating efforts towards a policy for world economic development by the Non-Aligned group of underdeveloped countries and the Soviet Union have reduced the U.S. Departments of State and Treasury to the worst shambles since the Second World War.

Algeria this week continued to pressure other members of the Organization of Petroleum Exporting Countries (OPEC) to subordinate the question of the oil price to development questions in general, raising a proposal for low, concessionary oil prices for underdeveloped countries. Last week, Algerian and Iraqi pressure compelled OPEC Secretary-General Feyride to explain that OPEC's policy was for a "readjustment of oil prices," rather than a unilateral rise, a concession to non-oil producing Third World countries and a bargaining point for the industrialized nations.

Meanwhile, the Iraqi government denounced U.S. Secretary of State Henry Kissinger's "conciliatory" line towards raw material-producing countries as a "subterfuge...aimed at isolating OPEC and splitting the united front of developing states."

The Iraqi statement continues, "The (May) Paris meeting (of oil producers and oil consumers called by France) failed because the leading consumers of oil refused to discuss the problem of petroleum prices in the general context of problems of raw materials and development."

Kissinger provides the
Smoke Screen

Watch out Henry
Kissinger's soap melt

before it could go to work, official Washington went into a state of general short-circuit this week. General policy confusion reigned between the State Department, Treasury Department and Congress, who sought to cover up their incompetence with planted news stories of a "policy split" between these bodies.

But the architects of the Kissinger "soft line," mass butcher Robert McNamara of the World Bank and Trilateral Commission director Zbigniew Brzezinski, have already buried their efforts to dupe the underdeveloped countries and diffuse the development offensive. As this newspaper has reported, the Brzezinski-McNamara strategy sought to corral Algeria and its allies in useless discussions on "price stabilization" for their raw materials, to be treated on a "case-by-case" level. Instead, the Non-Aligned group, cooperating with the Soviet Union, is using current discussions around pricing issues as a duck-bling, moving — ultimately — towards the type of development proposals outlined by the ICLC's International Development Bank program.

Congressional sources say that Brzezinski and McNamara were the guiding lights behind a vicious attack on Kissinger from Rep. Henry Reuss (D.-Wisc.), chairman of the House Banking Committee, at a conference last weekend at White Sulphur Springs, Va. Longtime Rockefeller associate Reuss laced into the Secretary of State for every economic policy statement he has made since last October, ending with an attack on Kissinger's May 14 "conciliatory" speech regarding raw materials.

Sources close to Reuss said that the brunt of the McNamara-Brzezinski change of heart was the realization that psychological warfare diplomacy had failed. Even OPEC, the model counter-gang founded by Rockefeller's "Seven Sisters" oil cartel, had turned against its creators. "Once you set a new regime or a new international association in motion," one source said ruefully, "you can't control it or expect to control it."

Policy Vacuum Continues

Miserably defensive, Kissinger and his flunkies are trying to find a verbal formulation of policy which will not add to their present embarrassment. Describing the failure of Kissinger's aborted snow job, one State Department official muttered, "It's an uncertain world. We hope we can do this balancing act. We can't guarantee the outcome of all our negotiations. We go in on a best-efforts basis. It's an uncertain world." Undersecretary of State Thomas A. Enders, the man behind the oil hoax that didn't quite get off the ground, has been dispatched to Tokyo and several European capitals to patch up gaping holes in the State Department's overseas credibility.

A senior official at the Treasury Department added, "It could be that our tactics are wrong. One of the things we are subject to criticism on is that we make policy by (mutually contradictory) speeches, instead of having speeches reflect a clearly deliberated policy. It would be better if policies were made by deliberation. Then we could mobilize people behind a fixed policy. In some of these areas, like commodities, we're responding to

events rather than making them. That's an issue we surely didn't want to get into."

For the Gullible

For the broader audience of U.S. capitalists, this breakdown in Washington is being portrayed as an inter-agency squabble between the State Department and Treasury, the former presumably willing to compromise with raw materials cartels, and the latter adamant about maintaining "free markets" for raw materials.

An elite capitalist weekly, the Money Manager, "revealed" this week that Treasury Undersecretary Jack Bennett had been bounced from his job by Kissinger, at the insistence of

the French government, following Bennett's honest admission that chances for agreement with the pro-gold French delegation to the Paris meeting of the International Monetary Fund earlier this month were "less than 50-50." Seven other top Treasury officials, the rag added, were in the process of leaving the demoralized Department.

Meanwhile, the vultures at the Wall Street Journal picked on a speech given by Treasury Undersecretary Gerald Parsky Friday night at the Los Angeles World Affairs Council, warning that the U.S. would not tolerate the demands of raw materials producers. "Treasury is

wresting control of the Administration's foreign economic policy from State," the Journal gloated. But State Department sources confirmed that the great blast from Parsky had been written in cooperation with the State Department's Thomas Enders. "Tom and Gerry are great friends," the source added.

This cover job has not impressed Third World representatives, who can readily compare the offer of life coming from the Algerian-Iraqi and Soviet side on one hand, and Kissinger's hot air on the other. Kissinger's actual policy is the same as McNamara's and Brzezinski's.