World. It will form a national body of farmer organizations, agrobusiness representatives, wholesalers, and personnel from the finance, economics and agriculture ministeries to create what is described by one observer as a "national cooperative" to act for the country as local cooperatives benefit farmers.

In addition to high protein exports to the Third World, this sweeping reform will improve the diets of French workers as it transforms the peasantry into an industrial workforce.

As the Schmidt-Giscard technology-motivated economic assault broadens, one issue is becoming prominent: nuclear power. Sabotaged for at least half a decade by U.S. demands for nonproliferation guarantees and export curbs against its own nuclear producers, the question of nuclear power for the Third World was raised most trenchantly by Taccoen. He argued that *only* nuclear power development will save many areas of the world.

France has just concluded an agreement with the People's Republic of China for nuclear research, construction of an accelerator and consideration of the building of an Orpheus nuclear research center. Moreover, France's apparent determination to break the Anglo-American control of world uranium has led to strong efforts to stabilize the Zairean government, including a doubling of French economic assistance and a warm reception for Angolan Ambassador to France Luis de Almeida's request for heavy French participation in Angola's development requirements.

The Mexican government is currently studying the proposals made by E.P. Volchkov of the Soviet Technabexport to train Mexican technicians in Soviet nuclear power plants and provide technical assistance for the construction and operation of uranium enrichment facilities in Mexico. According to the Mexico City daily *Uno Mas Uno*, the Soviet offer is considered "exceptional" in comparison to offers made by Japan, Canada, and France.

The German-Arab connection

If these developments were not sufficient to profoundly dismay the "New Dark Ages" advocates, the successful talks concluded between West German Undersecretary of State, Rainer Offergeld and Deutsche Bank chief Thierbach with Saudi officials in Riyad were. Thierbach announced "great prospects" for West German investment in Saudi Arabia, praised the political stability of the government and announced close cooperation to fight world inflation between the two countries. The investment packages will be concluded at top-level meetings in Bonn on Jan. 19-20 and again on Feb. 1-2 with the initiation of a German-Saudi Capital and Investment Commission.

Yet it is not the economic packages or even the institution of the EMS itself that will insure the success of the EMS. Clearly, continental European leaders are viewing such mechanisms as predicates in the technology-led new world economic order.

Unquestionably the British and their American agents might destabilize the Italian government, perhaps even succeed in pulling off a military coup in Iran to manipulate world oil prices against industry and make the Lomé reorganization rocky. But a high-technology development policy by the Schmidt-Giscard forces, if maintained and carried through, cannot be defeated by the forces of the New Dark Ages.

—Leif Johnson

North Sea speculation used to attack dollar

The City of London financial machine is presently feeding a massive speculative bubble in world oil markets driving prices to levels nearly $3.00 a barrel over the price of oil produced by the Organization of Petroleum Exporting Countries (OPEC), even after the Jan. 1, OPEC price rise.

The pretext for the latest speculative binge follows the crisis in Iran which has closed down Iran's oilfields, cutting out between 5 and 6 million barrels a day (mbd) of total worlds production. As a result of tight markets arising from the drop in output the producers of North Sea crude are driving up the price to upwards of $16.00 a barrel, setting a deadly trend in world markets. Some grades of North Africa oil are selling for as high as $17.30 a barrel.

In addition, the talk of a new oil crisis is being used to cover for speculative attacks on the dollar, and to whip up broader anti-dollar market sentiment. The Dow Jones wire service claims that European authorities would like the dollar no stronger than 1.85 marks, because their oil bills are still denominated in dollars. The West German central bank contributed to the adverse climate Jan. 16 with a West Berlin speech by Bundesbank Vice-President Karl-Otto Poehl. Poehl's warnings that West Germany cannot sustain 1978's $24 billion level of dollar-support intervention produced a slight but distinct dollar weakening not reversed by later Bundesbank assurances that it will continue to intervene.

Ironically, the U.S. press which headlined stories of doom and gloom about the economic effects of the last OPEC price rise in December have barely uttered a word about the current price rises due to Britain's machinations. In fact, the decision of the last OPEC meeting to implement a price rise in small increments was designed to halt the sort of oil speculation that is presently taking place. Numerous sources noted at the time that Royal Dutch Shell and British Petroleum would be hard hit by the new pricing initiative, since they are both notorious for buying up inventories of OPEC crude prior to price setting meetings as a hedge on price rises.

Now it is both BP and Shell that are making a speculative killing on North Sea oil — of which they control nearly half of the 1.5 mbd output. But other multinational companies, particularly those which are crude short (having a small access to the wellhead) and act as middlemen in marketing crude, are joining the bandwagon in speculatively driving the price of oil through the ceiling.

Saudi Intervention

Saudi Arabian Oil Minister Zaki Yamani has called a meeting of four non-OPEC oil producers — Canada, Mexico, Norway, and the U.K. — to discuss the current market situation next month. In particular, the Saudis have impressed upon the government of Great Britain that it should impose a price ceiling on North Sea oil in an effort to stem the speculative tide. In the long term, the price of crude oil on the spot (open) market will determine future pricing arrangements for large contracts.

A New York source stated that the Saudis are extremely anxious about the current pricing situation. When the higher prices reach the gas stations in the consuming nations, "then the press points an accusing finger at the greedy Saudis; that is why the Saudis and other OPEC producers have been so insistent upon trying to monitor and discipline world oil markets." As the coverage of the last OPEC meeting revealed, the leading press in the U.S., like *The New York Times* and the *Washington Post*, will jump at the chance to attack OPEC, reflecting the strong Zionist lobby influence on this press.

Numerous informed sources agree that if the Iranian crisis persists and Iran's oilfields remain dormant, then shortages could occur in areas particularly dependent upon Iran, such as Europe and Japan. But more importantly the artificially inflated price will have a detrimental effect on the world economy and the dollar. "All it would take is for just one U.S. company to walk into the White House and state it either does not have oil to produce gasoline or that it will not pay the price of imported crude to refine gasoline and I can assure you we will have a crisis," warned one concerned source.

Late last year U.S -based Shell, in fact, announced that it was closing down a refinery due to shortages of crude — triggering a brief miniscare which U.S. Energy Secretary James Schlesinger dramatized. Shell is 70 percent owned by Holland's British-allied Royal Dutch Shell.

Schlesinger, after being forced two weeks ago to admit that the Iranian situation did not constitute an immediate oil-supply crisis, bounced back at Senate Energy Committee hearings Jan. 17. In a fit of amnesia about the fact that Iran provides less than 5 percent of U.S. oil imports, he asserted that the country is indeed vulnerable to an Iranian cutoff and if the flow is disrupted until summer "serious consequences" will ensue.

Beyond endorsing higher natural gas consumption, Schlesinger took the occasion to push for government subsidies to relatively expensive and inefficient oil-shale extraction. Above all, he pumped for Ted Kennedy's approach to busting OPEC: encourage "proliferation" of oil production in non-OPEC countries, a plan the World Bank is beginning to fund heavily in Egypt, Pakistan, and elsewhere. Schlesinger added that this should not be done through the oil majors, of whom "developing countries are suspicious."

The London-based *Petroleum Intelligence Weekly* is also fueling the prospects of dollar and energy crises, playing up the "panic" in oil company board rooms over the current pricing bubble. Under these circumstances says *Petroleum Intelligence Weekly*, the pricing hawks have squared off against the pricing doves within the international oil industry over whether to make a short term killing off Britain's speculative binge or whether to restrain themselves for the sake of the world economy.

— *Judith Wyer*