The General's domestic program

At the center of the Haig economic program for the United States, is the energy austerity drive currently being mounted through the actions of James Schlesinger and U.S. oil companies to manipulate an oil shortage. This fact was as much as admitted by the Continental Oil Company executive who told a caller March 19: "We have made our choice: Alexander Haig."

The Haig energy policy is the result of a three-way deal involving the U.S. majors, led by Exxon, British Petroleum and Royal Dutch Shell, and Energy Secretary James Schlesinger, a candidate of the NATO chief.

Schlesinger and the oil sisters agree to have a shortage

The heart of the oil companies' deal with Schlesinger is their agreement to back reduction in domestic oil supplies in return for a Schlesinger guarantee of oil price decontrol and, thus, skyrocketing energy prices. News leaked out three days ago that Exxon, the world's largest private oil company, is now leading the others on behalf of Schlesinger's "oil shortage" plan.

What did Exxon announce?

It is cutting allocation of oil to U.S. refineries by an amount double that of **U.S. imports** from Iran. Why? The London-based Seven Sisters cartel made an "agreement to share" the impact of Iranian cutbacks with the two companies with the largest stake in Iran: British Petroleum and Royal Dutch Shell — the architects of the Iranian revolution and subsequent oil price war. This despite the fact that Iranian oil production is climbing back towards 3 million barrels per day.

Depression economics

What Schlesinger and the Carter administration are doing — the Haig policy — is simultaneously pushing an "anti-inflation program" and a wildly inflationary decontrol of oil prices. Unless one recognizes their objective to be a depression, this policy makes no sense. Oil decontrol means raising the price level from the current \$5.50 a barrel up to world market prices. The bill to consumers is conservatively projected at \$15 billion — not just at the gas station, but in soaring food prices, as

Rostow: 'progressively tighter energy rationing'

Portions of an interview with Walt W. Rostow, a professor at the University of Texas and former Deputy Secretary of Defense official with the Johnson Administration, were made available to this news service. Rostow is a leading spokesman for the proposed Energy Corporation of the Northeast (ENCONO), a project originated by Lazard bank's Felix Rohatyn, which envisages tight control of all energy allocation on a regional basis. Rostow was first asked about the severity of the energy crisis. He replied:

The situation is critical. We need energy rationing and then it has to be progressively tightened. The President must lay out an all-out energy program. People are scared. The country is falling apart. Water is running out. Resource problems must be at the center of attention. Read my 900-page *Getting from Here to There*. Hear me speak this Monday to the Senate Energy and Regulations Committee.

We're heading into a very dark period. On April 2, I will speak to the nation's geologists in Houston. In my speech I will summon up Churchill's image at the beginning of his history: *The Year of the Locust*. That's where he says we should have rearmed but didn't.

The energy question must be treated like war.

There are two operations going: the Midwest Governors and New York's ENCONO. ENCONO's going great! You know Felix Rohatyn? The congressional legislation is all prepared. Felix is working closely on it. It's amazing what you can get done in New York, Cleveland, Denver, and New Orleans, as opposed to Washington. Felix stresses he never could have done in Washington what he did with the unions and banks in New York. ENCONO is almost ready.