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SPECIAL REPORT :

THE SOVIET PROPAGANDA WAR AGAINST WESTERN OIL OPERATIONS

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THE SOVIET PROPAGANDA WAR AGAINST WESTERN OIL OPERATIONS

I N T R O D U C T I O N

Western oil operations have traditionally been a chief target of Soviet propaganda activities, both printed and broadcast. Yet, while abuse from this side is neither new nor unexpected for the Western oil industry it may be worthwhile at this particular time to analyze briefly some of the Soviet techniques and postulates in attacking the free world oil industry.

One thing clearly emerging from such an analysis is that Soviet propaganda against western oil interests is on the increase. The same thing could, of course, be said of all types of Soviet anti-capitalist propaganda. But it is evident that, for some reason, oil has been singled out as a special target of the Kremlin's psychological warfare. This applies not only to the oil industry as a whole but also to the individual companies operating abroad. Soviet propaganda often seems to make a strained attempt to connect Western oil companies with international disputes, even where they are not at all involved. Apparently, the Kremlin's propaganda analysts consider oil companies a safe as well as a rewarding target which should be attacked as often as possible and in connection with as many other targets as possible.

For instance, though Venezuela's oil policy was not an issue in the overthrow of President Pérez Jiménez earlier this year, virtually every Soviet propaganda broadcast beamed to Latin America at the time claimed that the revolution was a major blow for the foreign companies operating there, since Jiménez had been "their hand-picked frontman for the exploitation of the country." (The fact that the succeeding government did not change Venezuela's oil policy was simply interpreted as a sign that the revolution has not yet achieved its real aim).

Even more strained was the Soviet propaganda attempt to connect the oil industry with the U.S.-U.K. arms deliveries to Tunisia (allegedly by virtue of the industry's interest in Saharan oil).

In the Indonesian civil war, too, USSR broadcasts were at pains to paint the Sumatran rebels as hirelings of Caltex and Stanvac, though Indonesia's policy toward foreign oil companies never entered into the dispute between the Soekarno government and the outer islands. Here the intention was apparently not only to add fuel to the flame of anti-U.S. sentiment but to cash in on existing anti-U.S. feeling by discrediting the opposition forces. Soviet broadcasts and articles linking Soekarno's most formidable potential opponent, ex-vice president Mohamed Hatta, to U.S. oil interests had clearly the same purpose.

In the Middle East, Russian propagandists explain nearly every political event in terms of whether it is good or bad for the Western oil companies. Thus, the recent revolution in Iraq was termed a direct challenge to the Iraq Petroleum Company, again notwithstanding the fact that oil played no direct part in the ousting of the pro-Western monarchists by the pro-Nasser republicans in Iraq.

As the various examples cited below show, Russia's campaign against the oil companies is extremely crude and full of demonstrably false statements. One of the USSR's gimmicks, for instance, is to bring in the name Rockefeller wherever possible, thereby giving its readers and listeners the impression that "Mr. Rockefeller" personally is still in control of the American oil industry. A trip to a foreign oil-producing country by a member of the Rockefeller family may be interpreted as a threat to that country's oil wealth. Thus, a private trip to Austria by a member of the Rockefeller family some years ago gave rise to warnings from Moscow, repeated by the Austrian

communist press, that the country had better watch out lest its oil industry be swallowed up by the visitor's "Oil Empire".

The same applies to the public utterances of the Rockefellers or the reports of the Rockefeller Foundation. What the Soviet propagandists are obviously trying to do is to cash in on the widely accepted negative image of the first John D. Rockefeller. The fact that no Rockefeller has been directly connected with the management of any major U.S. oil company for several decades is, of course, never mentioned in Soviet articles and broadcasts.

But not all Soviet propaganda on the subject of Western oil operations is quite so fantastic. Very often, the broadcasts use correct quotations for such solid U.S. publications as the New York Times, the Herald Tribune or the Wall Street Journal. Sometimes these quotations are purposely lifted out of context to give them a different meaning from that intended by their writers. Even more frequently, the Soviet analysts seem incapable of understanding the machinery of capitalism and therefore cannot help but interpret normal business developments within the framework of their own stereotype image of capitalism.

For instance, a momentary fall in oil shares in reaction to an international event, like the Venezuelan revolution or the Middle East crisis, is interpreted by them as a clear indication that the event in question presents a threat to the earnings of foreign oil companies whose executives must therefore take steps to counteract it. All subsequent U.S. or British government action regarding this particular event is considered in this light, since, according to Marxist theory, business interest control the government in any capitalist society. For the same reason, such a purely factual statement in a U.S. newspaper as "oil lies at the root of the Middle East problem"

is not taken at face value but rather as further evidence that the real reason behind America's Middle East policy is to safeguard the investments and profits of the private oil companies in the area.

Among the ideas which the Soviet Union is currently plugging with special emphasis in its Middle East propaganda offensive are the supposed Anglo-American oil rivalry and the 'interposition' of the private oil companies between the "natural trade relationship" of the Middle East producing countries and the European consuming countries.

As to the first idea, the USSR's prime "evidence" is the dispute over the Buraimi oasis which, Soviet broadcasts are never tired to point out, is nothing but "a disguised attempt by the American Aramco to infringe on territory held by British petroleum companies." In other places in the Middle East, too, American oil interests are trying to take over from the British, according to Moscow. In fact, this desire to replace the British oil interests is one of the mainstays of America's Middle East policy, says Moscow every day to anyone willing to listen. The evidence it cites in support of this contention appears sometimes quite convincing, unless one happens to know that all but one of the Middle East's major oil producing companies include financial and/or administrative Anglo-U.S. participation. A similar situation is supposed to exist in Algeria where American oil interests are charged with trying to muscle in on the French (notwithstanding the fact that all foreign oil companies in Algeria must have French partners.)

By this approach the USSR obviously hopes to score several points:

(a) it provides proof for the Marxists contention that the advanced stage of capitalism is characterized by increasing in-fighting among the capitalist nations, particularly over the spoils of colonialism, (b) it may help to drive a wedge between the Western allies by sowing distrust among them

regarding each other's oil policy, and (c) it should make the local populations determined to oppose all Western oil interests, since, according to Moscow, the real losers in all these "inter-capitalist" feuds are always the countries under whose soil the oil is located.

The propaganda line that the private oil companies are not needed to supply Europe with Middle East oil is, of course, designed to belittle the economic risks involved in expropriating the private oil companies in the area. It is also meant to counteract the widespread impression in Europe that a threat to the Western oil companies in the Middle East is tantamount to a threat to Western oil supplies.

The success of Soviet propaganda, like all propaganda, depends, of course, mainly on how many people listen to it and how many among those that do believe it. It is beyond the scope of this report to evaluate Soviet propaganda on this basis. However, a few points can be made in this connection:

1. Soviet propaganda broadcasts are usually beamed to the area in question in its own language.
2. For millions of people, particularly the illiterate and semi-illiterate masses in the Middle and Far East, radio broadcasts are the only means of outside information and are therefore listened to with a certain amount of attention. This is of special importance to the Middle East whose geographic proximity to the USSR assures Soviet transmissions clear reception on most radios.
3. The complete lack of sophistication and the frequent obvious untruthfulness of Soviet propaganda against the Western oil companies seems to indicate that it is aimed mainly at the least knowledgeable - and therefore most gullible - elements of society in the countries to which it is beamed. The educated non-Marxist elements who generally compose the ruling group of these countries are, therefore, probably not too prone to fall under its influence. Talks with U.N. delegates and staff members from these countries (which are generally drawn from this particular stratum of society) tend to confirm this. While most of them are critical of some aspects of the foreign oil operations in their country, they hardly ever make the kind of charges spewed daily into the ether from Moscow, Prague, Budapest, Peking, etc.

4. This does not necessarily mean that Soviet anti-oil propaganda is ineffective. Ignorant or misinformed masses have often played a significant part in the politics of oil producing countries. They were among the main backers of Iran's Mossadeq, they were largely responsible for the bloody excesses during the recent Iraqi revolution and they were the elements which all but lynched Vice President Nixon in Venezuela last spring. It seems to be part of the Soviet strategy to channel the amorphous dissatisfaction of these masses into active hostility against Western oil operations.
5. The Soviet propaganda machinery treats U.S. and British foreign oil operations simply as extensions of U.S. and British foreign policy and vice versa. It also attempts to connect the western oil companies with all local political conflicts in the areas in which they operate. As far as American oil companies are concerned, this flies, of course, in the face of their traditional policy of maintaining neutrality (as far as possible) in all local conflicts abroad and of basing their foreign operations strictly on commercial rather than political considerations. To the extent to which Soviet propaganda is truly effective, these principles may in the future be less acknowledged by the host countries of the American oil companies.

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QUOTATIONS FROM SOVIET RADIO ATTACKS AGAINST WESTERN OIL COMPANIES

The following are a few representative samples of the numerous Soviet radio attacks against Western oil interests, as recorded by U.S. radio monitors. For convenience, they are arranged geographically.

M I D D L E E A S T

U.S.-U.K. Oil Rivalry in Oman

(From an Arab language broadcast, August 6, 1958): "Rivalry between American and British oil companies in the Near and Middle East which is of long standing, has once again become acute. At present American oil companies are prospecting for oil in Oman on a large scale. The American Cities Service is meeting with opposition from the Iraq Petroleum Company of Britain.....

"American papers have pointed out that Britain is now carrying out actions against the United States, such as the detention of a number of American oil prospectors operating in the south central regions of the Southern Arabian peninsula.....Thus we see that British and American oil companies are competing for the exploitation of the resources in the sultanates situated on the east coast of the Peninsula.

"Facts prove that the Eisenhower doctrine is paving the way for the

penetration of the American oil companies, which are more powerful and influential than the British oil companies and can, therefore, dislodge the latter from the Near and Middle East.....It appears that the American companies are defeating the British companies. As a result there is danger to the Arab peoples, who are being told that American intervention would allegedly bring about changes for the better in their lives."

(From a Soviet Near Eastern Service broadcast in Arabic, July 23, 1958):

"What is the part of the United States in the Arab revolution in Oman? This region is rich in oil, and therefore it is easy for the listeners to understand what the American monopolies want from this region. Frankly, we would say that the American monopolies are trying to get their hands on this wealth and replace the British in this region. It is clear that the American monopolies see in the Oman revolution a suitable opportunity to realize their schemes. These schemes must be causing uneasiness to the nationalist circles in all the Arab states."

(From a Moscow English-language broadcast to the U.K., July 30, 1958):

"The press in a number of countries stresses that now, when the movement of the Oman people for national liberation is gaining momentum, in the quiet studies of diplomats, politicians, and businessmen another war is going on -- the war between British and American oil monopolies, because the interests of the Iraqi Petroleum Company and the American Standard Oil of New Jersey, who control the oil in that area, have clashed.

U.S. Oil Interests Worried by Iraqi Revolution

(From a Moscow News Commentary, July 25, 1958):

"If we listen to U.S. propaganda, we gain the impression that the United States has no interests in the Middle East and that selfless concern for the welfare of neighbors is the only motive for Washington's policy.

"Comrade listeners, let us see if that version will stand up to the facts. Here is what a UPI political observer recently blurted out through sheer artlessness: The defeat of the pro-Western Iraqi Government is threatening over 3 billion dollars invested by Western oil companies in the seething Middle East. New York and London oil circles are seriously afraid that the people who have gained control over that Arab country, so rich in oil, could nationalize the oil industry. So the much-advertised U.S. selflessness is worth exactly 3 billion dollars -- a very telling fact of considerable importance for an appreciation of the existing situation.

"Let us see to whom this money belongs. The only company which produces oil in Iraq is the Iraqi Petroleum Company. About half of its shares belong to the British Petroleum Company and the Royal Dutch Shell Company. The rest is divided between the Compagnie Francaise de Petrole and the U.S. Standard Oil Company of New Jersey and Socony Mobiloil. Both

U.S. firms belong to the billionaire oil family of the Rockefellers.

"According to U.S. officials, the Rockefeller companies have about half the capital invested in this region by all Western powers. The Rockefellers are far from planning to rest on their laurels; quite recently, in March of this year, they had the so-called Middle East Industrial Development Corporation set up. Its purpose is to organize new capital investments in Iraq, Jordan, Lebanon, Saudi Arabia, and other countries of that area. As you can see, the question of the selflessness of the powers which have landed troops on the territory of two small Arab states is becoming clearer, and if we add a minor but characteristic detail, the picture will become clearer still.

"John Foster Dulles, head of the U.S. State Department, has a very direct relation to the Rockefeller family. For many years he was no less than a member of the Rockefeller company, Standard Oil of New Jersey, large quantities of whose capital are invested in Middle East oil production. Is this not convincing proof of the utter selflessness of U.S. foreign policy toward Arab East countries?

"It was not for nothing that the very first dispatches reporting the fall of the antipopular, pro-imperialist Nuri as-Said regime in Iraq led to a sharp fall of oil shares in the New York Stock Exchange. Frightened about the fate of their capital invested in Middle Eastern oil, brokers started selling their shares as early as July 14 -- that is, on the very first day of the Iraqi Republic."

British Fear American Oil Grab Similar to Iran

(From a Soviet European Service Broadcast in English, July 28, 1958):

"The British press does not express any concern for the interests of the Arabs or the Middle Eastern people, nor for the need to avert the flames of war which threaten to ravage that region as a result of the Anglo-U.S. landings in Jordan and Lebanon. The press lords are worried only by the threat that U.S. monopolies are going to gobble up another large slice of British interests.

"Perhaps the minds of some of them go back seven years to the events in Iran. The stubborn refusal of the British to recognize the realities of life, as expressed by the Iranian Government's decision to nationalize the oil industry, was exploited by the American monopolies to swallow up a large proportion of British oil interests there. The steel tracks of American tanks which crushed the democratically elected Mossadeq government also tore a breach through the British monopoly of Iran's oil. The American tanks and guns employed in the situation, made possible by British shortsightedness to crush temporarily Iranian nationalism, also gave the United States its first real foothold in the Middle East. In the consortium set up to handle Iran's oil, the British were forced to give up 40 per cent of their oil interests."

U.S. Oil Companies Behind Marine Landings in Lebanon

(From a Budapest Broadcast in English to the American continent, July 10, 1958):

"Oil, some politicians and newspapers would have you believe, has nothing to do with the U.S. landings in Lebanon. But it has. It has everything to do with it. The three major Rockefeller companies -- Standard Oil of New Jersey, Socony Mobiloil and Standard Oil of California -- control 70 per cent of the Saudi Arabian output and more than 20 per cent of the output in Iran and Iraq. Last year the Middle East produced 176.8 million tons of oil, of which about 60 million tons were accounted for by these companies, and their profits are about 500 million dollars a year, according to American estimates. That is why Rockefeller is very happy. He is quoted as saying: 'You know the only thing that gives me pleasure is to see my dividends coming in.' I can very well believe it, and I suppose he regards it as essential that American troops be sent to the Middle East to protect his oil. This trend of American big business has continued throughout the postwar period and has been subsidized even as the Second World War was being fought.....The United States moves its army for the oil interests in the Middle East, and for the same reason Great Britain moves near Iraq where she holds a major interest in oil. And without one iota of truth, these open acts of aggression are claimed to be necessary because of the Soviet Union and the United Arab Republic, and this despite the report of the U.N. observer team in Lebanon which definitely said there was no evidence of outside infiltration into the opposition forces."

(From a Soviet Near Eastern Service Broadcast in Persian, July 18, 1958):

"Western newspaper commentators, analyzing the events in the Near and Middle East, are compelled to raise a problem on which they usually prefer silence -- the interests of the imperialist oil monopolies. The collapse of the pro-Western regime in Iraq has terrified the U.S.-British oil kings, who consider it a telling blow to their interests. Oil shares were badly hit in London and Washington by the new events....The UPI is more outspoken, saying that the collapse of the Iraqi cabinet has endangered more than 3 billion dollars invested by the Western companies in the Middle East.

"This is the whole truth. The factor which has mobilized the U.S.-British war machine is not a desire for peace and security but concern over the incomes of Royal Dutch Shell and Standard Oil companies. More than 70 per cent of the oil reserves of the Western world lie in the Middle East.

"The expenditure of oil extraction in the Middle East is one-sixteenth that in the United States, owing to cheap manpower and the existence of shallow oil deposits. FORTUNE writes that the finished price of each barrel of extracted oil in Kuwait amounts to 10 cents, whereas that of a barrel of oil in Texas exceeds 1 dollar. No wonder the West's oil kings make fabulous profits from Middle Eastern oil.

"It is evident that those who are connected with the oil kings cannot be indifferent to their interests. Hence the determination of the U.S. Government to spare no effort in defending the interests of oil monopolies.

"The U.S. aim is to safeguard its numerous interests in Saudi Arabia, Iraq, Iran, Bahrain, and other parts. As a result of Iraq's withdrawal from the Baghdad pact, all U.S. efforts to preserve its oil concession in the Middle East are likely to be seriously thwarted. Therefore the Western powers have put into action without any camouflage the war machine which they have long prepared to defend their oil interests."

Oil Profits, But Not Oil Shipments, Threatened by Iraqi Revolution

(From a Soviet European Service broadcast in English, July 18, 1958):

"Our oil is in danger," British rightwing papers have been shrieking ever since the people of Iraq threw out their British-imposed puppets. They have hopes to rally British public opinion behind the planned aggression by a threat that British petroleum supplies were about to be lost. Of course this is nonsense. Oil supplies are in no danger. However, the superprofits from the Anglo-U.S. oil companies may be in danger.

"The people of the Middle East do not want to eat or drink their oil or pave their streets with it. They want to produce it and sell it and use the proceeds to raise their miserable living standards. The cry over Suez was that the British lifelines would be cut if the Suez canal fell into the hands of the Egyptians. It was just as nonsensical a cry as the present one about oil.

"After the Conservative Government tried and failed to recapture the Suez canal, and after the debris caused by the aggression was cleared away, the Canal was operated better than ever before. Ships passed through faster than at any time under foreign control.

"The Canal is now being widened, but the profits -- and this is what sticks in the imperialist gullet -- do not go into the pockets of Western shareholders. They go into developing the economy of the UAR. This is what will happen when the people of the Middle East get their riches into their own hands.

"I repeat. It is not the oil supplies that are in danger, but the illgotten profits. That is the real reason for all the hue and cry in the press. It is also the real reason for U.S. marines landing in the Lebanon and British paratroopers in Jordan. That is the hard fact that Macmillan's hypocritical moral talks of British duty, British honor, and so forth is meant to cover up."

Middle East Developments Threaten Western Oil Profits

(From a Radio Moscow Broadcast in Russian, June 5, 1958):

"British politicians do not conceal the fact that Britain's foreign policy in the Near East is aimed, above all, at preserving and extending petroleum concessions. On the other hand, ruling circles in the

United States, which are closely connected with the monopolies, are pursuing a policy in the Near and Middle East aimed at the further seizure of petroleum resources and at insuring maximum profits for American monopolists. The U.S. press has noted that Truman in his speech setting out a doctrine for Greece and Turkey stood on a barrel filled with petroleum, while Eisenhower and Dulles put forward their doctrine for the countries of the Near and Middle East from a rostrum built by Rockefeller.....

"Monopolists do not like to brag about the billions earned by seizing other people's petroleum resources. Yet, as the saying goes, when two thieves quarrel, the stolen goods are discovered. During the Near Eastern struggle, the British and U.S. press now and then publish figures making it possible to assess the extent of profits earned by the British and U.S. companies in the Near and Middle East. These profits are really fabulous. If one were to take into consideration all oil-producing countries in the Near and Middle East, the total profits now earned by monopolies annually would amount to about 2.2 to 2.3 billion dollars.

"It is clear that peoples in the Near and Middle East are not indifferent toward the bossing of the imperialist monopolies of their countries. Egypt's victory in the struggle to establish her legitimate rights over the Suez Canal has greatly impressed them. It has instilled in them confidence that in present circumstances, comparatively small countries can free themselves from the yoke of foreign monopolies, and exploit their natural resources for the development of the national economy.

"British and U.S. papers and magazines sponsored by oil monopolies continue to express anxiety over the fate of the Near Eastern petroleum. It is understandable, because the national liberation movement, which has started in the Near and Middle East, is rolling toward the oil derricks of Rockefellers and Morgans. The oil kings of the capitalist world are experiencing a really disturbing '50th anniversary of petroleum'."

Predatory U.S. Oil Policy in Iran

(From a Soviet Near Eastern Service broadcast in Persian, May 23, 1958):

"The Tehran ECONOMIST recently published the biography of Rockefeller as written by an American writer. In this book Rockefeller is introduced as a good-hearted, innocent, and honest man who has devoted all his life to improving the life of peoples. Some U.S. newspapers have also claimed that it was due to the generosity of such U.S. capitalists that Iran could manage to derive profit from her oil resources. But all these insinuations are aimed at concealing the truth from the Iranian public.

"The oil kings of the Western countries, especially the Rockefellers, make an annual profit of 2 billion dollars from Middle East oil, of which hundreds of millions of dollars come from Iran's oil. They loot the peoples of the Middle Eastern countries, who live in overwhelming poverty.

"As a result of their predatory policy, a large number of Iranian oil workers are forced to leave their country. KEYHAN reports that in two weeks, about 2,000 people have left Abadan for foreign countries.

"Only those who want to distort facts try to portray these capitalists as benefactors helping Iran make profit from her oil. It is quite evident that Iran would have made a far greater profit from her oil if she managed her oil independently.

"Under these conditions how can Iran be thankful to the U.S. monopolists and regard them as her benefactors? If Iran owes anything to the Americans it is her economic backwardness."

(From a Soviet Near Eastern Service broadcast in Arabic, quoting an article in MODERN EAST, the monthly organ of the Soviet Institute of Orientalists, April 23, 1958):

"American oil monopolists have nearly replaced the British in the Arabian Peninsula. However, the British monopolists have made attempts to get revenge, and as usual, the Arabs have been the victims of these disputes and differences among the imperialists.

"Tension now prevailing in Buraimi has come as a direct result of the rivalry between the British and Americans in their search for oil. It must be stressed that the British and American oil tycoons are making a gross mistake if they believe that the shores of the Persian Gulf have been granted to them by God as a gift to Standard Oil and the IPC....the time will come when these shores will be liberated from foreign domination."

U.S. Oil Monopolies Rob Middle East of Resources

(From a Soviet English-language broadcast to Southeast Asia, April 16, 1958):

".....Middle East oil sells for as much as 15 dollars a ton, while average production costs are a dollar and a half, a seventh or an eighth of those in the United States itself. It is no wonder that the U.S. oil monopolies are piling up fabulous profits.

"The U.S. oil kings today control the greater part of Middle East oil production. The people of the oil lands get practically nothing. A former U.S. Secretary of Interior once said that an honest, conscientious man in the oil business was a curiosity, and he was right. In the entire U.S. oil policy in the Middle East, there is not a grain of honesty or conscience. The United States is deceiving and robbing the countries where oil is produced at every step, beginning from the moment oil appears on the surface down to calculations during sales.

"The British NEW STATESMEN wrote that the Arab governments received only a small part, 20-25 per cent, of the profits made on the sale of Middle East oil. According to the terms of concessions, payments are calculated on the basis of the price of the oil at the moment it leaves the oil-field and have no relation to the final selling price. What is called selling is only a deal on paper, and the price, so-called, is only a fraction of the price on the world market. In this way, Aramco, for instance, robbed Saudi Arabia of almost 100 million dollars in one year.

"In their drive for oil, the U.S. monopolies grossly trampled on the interests of the population of the area. They hinder in every way the development of the national oil processing industry. There is not a single little works anywhere in the Middle East that makes oil equipment. From drilling rigs to spare parts, everything is made abroad and is sold at exorbitant prices.

"It is obvious that all this is of great harm to the national economy of the Middle East countries and hampers their development. But that is just what the United States wants. Under conditions of economic backwardness, it is easier to steal the mineral resources and exploit the people of the Middle East."

(From a Soviet Near Eastern Service broadcast in Persian, March 9, 1958):

"...Iran's oil reserves constitute the greatest source of profit for Western monopolies. They sell Iran's oil in the international market at 7 to 11 times greater than the cost of production....To safeguard their extraordinary interests, U.S. and British monopolies meet all Iran's efforts to reap more benefit from her own resources with bayonets. They tried every means to prevent the conclusion of the Italian-Iranian oil agreement whereby Iran receives 75 per cent of the profits."

N O R T H A F R I C A

U.S. Politicians Plan to Take Over Saharan Oil Fields

(From a Moscow German-language broadcast to Western Europe, Nov. 18, 1957):

".....It is clear to everybody that the American-British supplies of weapons to Tunisia are by no means philanthropy but part of the large-scale plan for annexation of North Africa.

"Paris is worth a mass, the French King Henry IV said, when he betrayed his friends. Oil is worth Paris, the American politicians declare now as they strike a blow against France. Huge oil resources have been found in North Africa during recent prospecting and where there is oil American businessmen appear immediately. They offer money, weapons, economic aid and everything possible. In exchange they demand the right to exploit this country undisturbed.

"This happened repeatedly in the Near and Middle East. The representatives of Washington want to play the same game in North Africa. The question, of course, becomes more complicated because North Africa has always been considered a French sphere of influence and France an ally of America. But all this, one sees, is of no significance to Washington. Oil, oil above everything else, the American politicians declare and act accordingly.

U.S. Oil Interests Want Exclusive Control of Saharan Oil

(From a TASS English-language news broadcast to Europe, summarizing an article in the Soviet newspaper RED STAR, Nov. 26, 1957):

"The attempts of the French imperialists to develop the Sahara on their own have brought forth sharp discontent beyond the ocean. As a result, the French Government, the article says, in 1957 had to agree to the establishment of an American-French oil consortium for the drilling of oil wells in the Sahara. In this connection, the article stresses that by slightly opening the door to American monopolies, the French ruling circles hoped to thus secure the open support of the United States for their colonial war in Algeria.

"However, the paper goes on, the transatlantic oil barons are not satisfied with the meager crumbs offered to them by the French government in the Sahara. They are out to grab it all. Referring to the efforts of the British monopolists to push France out of the Sahara, the author points out that by acting in concert with the United States, Britain hopes to get a far greater piece of the Sahara pie than she has now."

Herbert Hoover Jr. Advises U.S. Oil Monopolies to Penetrate Sahara

(From an East Berlin broadcast in German and a simultaneous Moscow broadcast in Spanish to Latin America, quoting from an article in the German Communist publication NEUES DEUTSCHLAND, Jan. 22, 1958):

"NEUES DEUTSCHLAND today publishes a letter dated Oct. 18, 1957, by former Under Secretary of State Herbert Hoover Jr., who is now Dulles' unofficial adviser on oil policy and the Middle East. In this letter Hoover tries to secure a place in North Africa for the big U.S. capitalist Curtiss. Hoover wants to help the U.S. oil monopolies to penetrate into the Sahara, which belongs to Algeria and is occupied by the French colonial masters.

"The letter, from which NEUES DEUTSCHLAND publishes excerpts, says among other things: 'I need not tell you anything about the importance of African oil. We talked a great deal about it when I was working in the State Department. I might add that our interest is even greater now that the situation in the Middle East is confused owing to the Russian intrigues.

"'Now, about your misgivings over the political side of this matter and especially about the attitude of the French to the whole idea. I must say that they have been much more conciliatory about our participation in exploiting the Sahara oil than we expected. It is true that since the incident last autumn when they intercepted a couple of documents compromising Aramaco (a reference to the notorious detention of a Moroccan aircraft by the French in the autumn of 1956 when they took five leaders of the Algerian movement prisoners and found documents on them compromising some U.S. oil trusts and in particular Aramco which belongs to the Rockefeller group -- NEUES DEUTSCHLAND) the people in Paris have been more self-willed in selecting partners.

"'But the incident has not closed the Sahara to us, and that is

only natural. One cannot spend billions on the war in Algeria and expect to have enough money left to open up Africa. Sinclair and Newmont Mining (Sinclair is one of the big U.S. oil combines in which Rockefeller has an interest; Newmont belongs to the Morgan group -- NEUES DEUTSCHLAND) are already operating there as partners of three French firms. Not bad for a start. We have given our consent because we felt sure that it was only a start.

"Perhaps something will come from the preliminary talks with Shell which were started on my initiative with the objective of acquiring their shares in Petrole d' Algerie and in Petrole d' Sahara."

"In a subsequent commentary headlined, The Sahara is Algerian, NEUES DEUTSCHLAND points out that it is noteworthy that the Rockefeller group is advancing on two tracks. On the one hand it supports, one might say as a concession for participation in the exploitation of the Sahara oil, the filthy French colonial war against the Algerians. On the other hand, it is making intensive attempts to establish contact with the Algerian national liberation movement. The U.S. billionaires evidently intend to divide the ranks of their opponents and get the Algerian oil into their own hands."

I N D O N E S I A

Ex-Vice President Hatta Negotiates with U.S. Oil Co. Representatives

(From a Moscow broadcast in Indonesian to Southeast Asia, July 13, 1957):

The Indonesian daily BINTANG TIMUR (an extreme left-wing publication -- PIRINC) recently reported that former Vice President Hatta had met with representatives of the U.S. Embassy.

According to this paper, at the meeting a lot of bargaining was done. The Americans offered additional monetary aid to separatists in Sumatra. As usual, the executors for the U.S. State Department are the Stanvac and Caltex oil companies which are operating in Sumatra.

Indonesians know that the above-mentioned companies frequently supplied a great amount of money to, for instance, the Banteng council. More than that, they gladly supplied the separatists with trained personnel.

Again, the Banteng council has accepted the aid of Americans and Indonesians who have been trained in the United States. There is no need to add here that the American experts and the American-trained Indonesians as well are striving to separate Sumatra from the Indonesian republic, to open broader opportunities to imperialists to control the natural resources of the island and strengthen their position there.

According to BINTANG TIMUR, Hatta directly commented on this subject. He stated that in the case of Sumatra being separated from the Indonesian Republic, American citizens would be assured on this island of security, mainly in the field of capital investment, and expansion of oil exploitation and rubber estate lands.

Rebel Chief Makes Promises to Western Oil Companies

(From a Moscow broadcast, quoting a PRAVDA dispatch, Feb. 26, 1958):

"The Indonesian press every day publishes facts which establish beyond dispute the ties of the Padang rebels with foreign, particularly American and Dutch, circles. It is well known, for instance, that for some time now the American Standard Oil has been trying to obtain new concessions in Indonesia. However, so far it has not obtained the consent of the republic government to such concessions. Hussein, (Col. Hussein, leader of the Indonesian insurgents -- PIRINC) on the other hand, has already announced his willingness to grant new oil concessions in Central Sumatra to American monopolies.

"According to a recent report in SULU INDONESIA, Hussein has had a long consultation with three large firms operating in Indonesia. Hussein has promised Standard Oil that if he manages to launch an antigovernment rebellion, he will grant the company concessions in at least a two million hectare area near the Kampar River, also in the border area between central Sumatra and Jambi province.

"Hussein also promised to restore to the Anglo-Dutch BPN company its oil fields in northern Sumatra, recently nationalized by the Indonesian Government. Hussein and company propose that American and Anglo-Dutch companies should, as payment for their services, stop paying the central Indonesian Government the requisite percentage of their profits."

U.S. Oil Companies Collaborating with Indonesian Rebels

(From a Moscow Indonesian-language broadcast to Southeast Asia, Mar. 9, 1958):

"We are going to comment on the role played by American oil companies in Sumatra, which have been helping the rebels.

"As we know, immediately following proclamation of the so-called Padang revolutionary government by Achmad Hussein, the rebels asked foreign monopolies, especially U.S. oil companies, to support the newly established government.

"The government headed by Sjafruddin Prowiranegara suggested that these companies stop payment of taxes to the central government in Jakarta and stop oil deliveries to Java.

"For some time, the American oil companies hesitated. They did not have the nerve to openly support the rebels, who, in fact, had already received financial support from the oil companies.

"As has been reported by ANTARA, Caltex recently announced it would no longer pay taxes to the central government in Jakarta. Meanwhile, Stanvac has begun financial support of the rebels. According to ANTARA, Stanvac representative (Berlin?) recently gave 25 thousand dollars to Achmad Hussein.

"Why have American monopolists supported the rebels, in spite of the fact that the United States maintains diplomatic relations with Indonesia? Because the United States has hoped to seize all oil resources in Sumatra with the aid of the reactionary separatists.

"Last year, in return for support by the American monopolists, the Bantang council established by Achmad Hussein announced an open door policy regarding foreign capital in Sumatra. Upon recommendation of the separationists, Caltex last year expanded daily oil production in Sumatra from 88,000 to 145,000 barrels -- or 65 per cent. The company's profits showed a corresponding increase. It is presently estimated that annual profits amount to 70 million dollars.

"After Achmad Hussein, with the support of foreign monopolists and Western powers, proclaimed his government, the government started selling out Sumatra's wealth. SULUH INDONESIA stated that Hussein proposed to give new concessions totalling some two million hectares along the Kampar River to Stanvac. New areas for oil exploitation have also been offered to Caltex. At present, Caltex is undertaking an extensive development program, apparently in hope of drawing profit from its Indonesian exploitation.

"It is obvious that American monopolists are in conspiracy with Indonesian rebels who betray the interests of the Indonesian people in general. Therefore, official statements by American diplomats that the United States is neutral in respect to current Indonesian events are entirely in contradiction with the actual activities of American monopolists."

(From a Moscow broadcast, quoting a PRAVDA article, June 1, 1958):

"The Indian paper BLITZ (an extreme left-wing publication--PIRINC) reports that U.S. oil king John Rockefeller who visited Malaya in March this year, held talks with members of the secret SEATO bureau and Indonesian spokesmen.

"As a result, the U.S. oil companies, Standard Vacuum Oil and Caltex Oil, started delivering arms to the rebels, who purchase them through the U.S. Consul in Singapore at the expense of the oil companies.

(From a Prague domestic broadcast, May 4, 1958):

"In the initial stages of the Sumatra insurgents' rise against the Indonesian Government the United States officially assumed an attitude of non-interference. The American weapons which were supplied to the insurgents came via the Caltex oil company and from Formosa.

"However, in April the insurgents, threatened with complete defeat, approached the United States for direct help, making it clear that if they came to power, they would be prepared to surrender Indonesia's natural wealth to American capitalist interests. Since then American support for the insurgents has come into the open.

T H A I L A N D

Anglo-U.S. Companies Threaten to Cut Off Thai Oil Supply

(From a Peking Radioteletype in English to Northeast and Southeast Asia, Aug. 5, 1957)

"The Thailand Government has been called upon to nationalize three Anglo-American oil companies as a countermeasure to their threat to cut off the country's supply of oil, according to press reports from Bangkok.

"The Socialist United Front on August 1st urged the nationalization of the foreign oil companies, saying that it would facilitate the development of Thailand's own industry and the preservation of its economic independence. It also supported the government's plan to set up oil refineries in Chiangmai Province in North Thailand.

"It was the announcement of this plan that led to the joint ultimatum of the British-owned Shell Oil Company and the American-owned Standard Oil and Caltex companies threatening to cut off oil supplies unless the Thailand Government paid off a 50 million baht (Thai currency-PIRINC) debt to them.

(From a Peking Radioteletype in English to Europe and East Asia, March 11, 1958):

"An effort by the U.S. Standard Oil Co. to prevent Thailand from developing its own oil industry was disclosed by Premier Nai Thanom Kittakhachon to the press on March 6, according to a Bangkok report.

"The Premier disclosed that he had been visited by the general manager of the U.S. Standard Oil Co., who asked whether Thailand would give up its plan for the construction of oil refineries. The American company's manager had pointed out that the Thailand Defense Ministry was contemplating building a refinery with a daily output of 5,000 barrels.

"The DAILY MAIL described the action of the Standard Oil manager as interference in the affairs of a sovereign state.

I N D I A

Foreign Companies Prevent Establishment of National Oil Industry

(From a Moscow English-language broadcast to abroad, summarizing an article in the Soviet English-language magazine NEW TIMES, March 6, 1958):

"The oil deficit in the Indian economy necessitates creation of a national oil industry and a considerable expansion of refining enterprises, NEW TIMES Magazine says. There is every possibility of accomplishing this task.

"Foreign oil companies, the NEW TIMES continues, are going out of their way to retain their positions. Their motto is India should not produce but import oil and its derivatives. Having set up advance posts on all roads of India in the form of gasoline stations, the foreign companies

hope to retain this big market. The attempts of the Indian Government to establish even limited control over the operations of foreign oil companies are meeting fierce opposition."

A U S T R I A

Austria Forced to Make Concessions to Western Oil Companies

(From a Moscow German-language broadcast to Austria, summarizing a PRAVDA article, December 11, 1957):

"The return of the Austrian oil plants to foreign monopolies is carried out in accordance with the so-called Vienna memorandum, which was signed more than two years ago. This document shows clearly the methods used by American and British cartels to get hold of the oil resources of foreign countries. America and Britain told Austria to sign the Vienna memorandum or they would not conclude the state treaty.

"When the Soviet Government signed the state treaty it believed that an independent Austria must have a strong economic basis. Therefore it gave up its claims to former German assets in Austria and handed over the oil enterprises with all their equipment to the Austrian Government. This, however, was against the interests of the American and British monopolies. Negotiations on signing of the Vienna memorandum lasted more than two years. Finally the Austrian Government, under pressure of American and British diplomacy acting on orders of the oil kings, made concessions.

"The return of the refinery and the Zistersdorf-Lobau pipeline is proof that the pressure on the Austrian Government continues. The Anglo-American oil monopolies have won implementation of the Vienna memorandum, which aims at undermining the economic independence of neutral and independent Austria."

V E N E Z U E L A

Oil Companies Upset by Jimenez Overthrowal

(From an East Berlin broadcast, January 23, 1958):

"A dictator was overthrown this morning. His name is Perez Jimenez and he was President of Venezuela. While Jimenez fled from the country the insurgents celebrated their victory over the hated man.

"This event had quite a different effect in Washington. American Government circles and the petroleum monopolies of the United States became filled with great disquiet. This is not surprising as Perez Jimenez was their man and his overthrow will not fail to influence the stock exchanges.

"In 1948 the dictator was placed in the saddle with the active support of the American military attache in Venezuela, named Adam, and the

three big oil trusts, Standard Oil of New Jersey, Gulf Oil, and Royal Dutch Shell, as well as the Bethlehem Steel Corporation which is exploiting the iron ore deposits of Venezuela.

"By this step the United States consolidated its position in Venezuela, which as is well known, possesses the second largest petroleum deposits of the world.

"Rockefeller annually squeezes 14,000 dollars per head from the workers of the petroleum fields. Hotels and harbor installations belong to him. Even the radio and the telephone network are under his control.

"On the other hand, the distress among the population of Venezuela is great.....The tremendous wealth of the country does not belong to its people but to foreigners, and Perez Jimenez was their tool.

"What elements will now come to power in Venezuela is an open question. It is an established fact that the American monopolies still have the economic power in their hands, and as long as this is not broken, Venezuela will have no freedom.."

Perez Jimenez Favored U.S. Oil Companies

(From a Moscow Spanish-language broadcast to Latin America, January 24, 1958):

"....the pro-American regime of Perez Jimenez toppled this morning and the Venezuelan President left the country. Thus the regime the American papers referred to as a model of cooperation with American oil monopolies came to an end.

"The history of the Perez Jimenez regime does not begin in 1952, when he named himself president of the country, but rather four years before, when a military coup took place which was organized by agents of the U.S. State Department and the American oil monopolies in combination with the country's reactionaries.

"The coup defeated the democratic regime of Romulo Gallegos, and Perez Jimenez was a member of the junta that took over. Four years later he officially appointed himself President.

"Perez Jimenez made concessions to the American oil monopolies, and now Venezuela holds first place among Latin American nations in total of U.S. investments that make up its economy."

(From a Moscow Spanish-language broadcast, January 22, 1958):

"The Venezuelan people continue their heroic struggle against the dictatorial regime of Perez Jimenez....On January 21st a general strike started in Caracas.

"The events in Venezuela have caused great anxiety in Washington. According to ASSOCIATED PRESS, the State Department is maintaining constant contact with the U.S. Embassy in Caracas. The fate of dictator Perez Jimenez is troubling the Rockefeller owned Creole Oil Co. and the other American monopolies for whom he has created a real paradise."

Creole Oil Helped Jimenez to Suppress Freedom

(From a Moscow broadcast, January 23, 1958):

"Venezuela has become a paradise for private companies to a greater extent than any other Latin American country. The U.S. ambassador in Caracas, McIntosh, called the boss of the dictatorial regime 'the exemplary friend among all the friends which we have in Latin America.'

".....During the past five years the Venezuelans have struggled continuously against the dictatorship of Perez Jimenez. Every time they were suppressed. Prisons were filled with many hundreds of prisoners. According to Dubois, correspondent of the American paper Chicago TRIBUNE, in the building of the Creole Petroleum Corporation special chambers were set up for keeping political prisoners who were especially dangerous for the dictator and consequently for the corporation."

Arms Deliveries to Standard Oil Mercenaries

(From a Moscow English-language broadcast to the U.K. and America, Mar. 1, 1958):

"When French fighter planes last Thursday forced down an unidentified plane over Algeria the French military command must soon have realized the commission of a monumental error.

"The mysterious plane without markings was a U.S. plane piloted by a U.S. pilot and co-pilot and its cargo 292 bazookas, 4 mortars, 100 sub-machine guns and tens of thousands of rounds of ammunition. 'More anti-French treachery by the Americans' was the first reaction of the French.

"This time they were wrong. For the U.S. arms came from Israel and were being transported in this U.S. plane to Venezuela. Why Venezuela? It is the leading oil producer in all America outside the United States. The oil companies are almost exclusively in the hands of the great U.S. monopolists, above all, Standard Oil. For about 13 years it has been governed by a particularly bloody dictator, General Jimenez, entirely according to the pattern of things laid down by Standard Oil. But last February the people of Venezuela rose up and chased the dictator to Santo Domingo. So Standard Oil needs arms for Venezuela to try to put him back and with the blessings and a wink of the eye of the U.S. State Department and the Government of Israel arms were made available in what must have been considered the most discreet manner possible without all the noise that preceded the Guatemala affair.

"The black stains were cleaned off some the arms Israel used in its unsuccessful attempt to overthrow the Egyptian Government and were flown over to arm the Standard Oil mercenaries in Venezuela."