

## The Staged October 1973 Yom Kippur War Oil Crisis By K. Rosenbaum, December 2015

During the 1970s, the implications of the Bilderberg meetings had a drastic effect on people in the Middle East, Asia, Africa, and Latin America. Documents and testimony discovered later revealed a major effort by Bilderberg members to create an oil crisis, and to use the money to indebt Third-World nations due to their growing grassroots independence movements after decades or centuries of colonization. However, one of the Bilderberg founders, Prince Bernhard, was found guilty in a scandal for taking Lockheed Martin kickback bribes in exchange for advocating military contracts. While Bilderberg meetings are rarely reported, the Lockheed scandal did receive some news coverage and placed some spotlight on the Bilderbergers. One February 17, 1976 *New York Times* article stated: "In the world of multinational corporate dealings, Prince Bernhard of the Netherlands is known as a master public-relations man." It then said that he sits on the board of many companies. Hinting at International Monetary Fund (IMF) loan policies in the Third World, the article stated: "Through his Bilderberg Club, which organizes an annual conference on subjects such as inflation, or Third-World economic demands, he has built up a close-knit fellowship of top corporate and financial leaders of Western Europe and North America."<sup>1</sup>

In 1979, a British investigative reporter, David Boulton, published his book on the Lockheed scandal. Although the *New York Times* did not bother with its own investigation, the book review in the *New York Times* was illuminating. According to Boulton, the Lockheed scandal was uncovered during an investigation of the Watergate burglary. The "plumbers" were paid through the same funds as the Prince Bernhard's remuneration. In 1975, National Security Advisor and Secretary of State Henry Kissinger, a business associate of Prince Bernhard, asked the Attorney General to protect the names of those involved in the Lockheed scandal to prevent "grave consequences."<sup>2</sup> This review of Boulton's book reveals a fragmented piece of the hidden financial networks that should be revealed to the public. This book by Boulton, although enlightening, is mainly based on court documents of the Lockheed hearings, and does not implicate Henry Kissinger in a larger narrative. Kissinger was not legally implicated in Watergate, although investigative reporter Seymour Hersh did find later that Kissinger played a significant role.<sup>3</sup>

According to a declassified document housed at the National Security Archive website for George Washington University, Henry Kissinger discussed plans for attending the 1972 Bilderberg conference in Flanders with Chase Manhattan Bank chairman David Rockefeller, his former employer. In this transcribed communication, Kissinger referred to others who were worthy of attending as "Bilderbergers."<sup>4</sup> According to columnist Holly Sklar, David Rockefeller, who at this time was the chairman of the Council of Foreign Relations (CFR), had used the 1972 Bilderberg meeting and his connections on the CFR to arrange the creation of the Trilateral Commission, formed one year later, with the help of business leaders like oilman George H. W. Bush.<sup>5</sup> According to Sklar, President Nixon was an opponent of the Trilateral Commission agenda, and they were relieved when he resigned from office due to the Watergate scandal.<sup>6</sup> The agenda of the Trilateral Commission was much less secretive than the Bilderberg agenda. In a 1975 report published by the Trilateral Commission, they openly claimed that it would be necessary to help preserve the United States' "hegemonic power in a system

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<sup>1</sup> Clyde H. Farnsworth, *New York Times*, "Bernhard, a Prince of Dutch Commerce" Feb 18, 1976, pg. 64.

<sup>2</sup> Leonard Silk, *New York Times*, "Books of the Times" August 29, 1979, Page C22.

<sup>3</sup> Seymour M. Hersh, "Kissinger and Nixon in the White House" *The Atlantic*, May 1982

<http://www.theatlantic.com/magazine/archive/1982/05/kissinger-and-nixon-in-the-white-house/308778/>

<sup>4</sup> George Washington University, The National Security Archive, <http://nsarchive.gwu.edu/NSAEBB/NSAEBB123/telcon-19720313.pdf> (retrieved December 2015).

<sup>5</sup> Holly Sklar, *Trilateralism: The Trilateral Commission and Elite Planning for World Management* (New York City: South End Press, 1980), 76-78, 101.

<sup>6</sup> Sklar, *Trilateralism*, 66-69.

of world order.”<sup>7</sup> An article on antiwar.com connected Bush’s tenure on the Trilateral Commission to his later push for a “New World Order” in 1991.<sup>8</sup>

The 1975 Trilateral Commission report compared the growing “evils of democracy” to those that were present in the days of President Andrew Jackson.<sup>9</sup> They set reversing the “excess of democracy” in the world that had taken place during the 1960s and 1970s as a goal.<sup>10</sup> This is in reference to political changes in the United States, as well as in Africa, Latin America, Asia, and the Middle East. Early in the report, it states: “Changes in the international distribution of economic, political, and military power and in the relations both among the Trilateral societies and between them and the Second and Third Worlds now confront the democratic societies with a set of interrelated contextual challenges which did not exist in the same way a decade ago.”<sup>11</sup> Later, the report claims that there have been problems maintaining older class systems in Europe, but not in the United States “where people have gradually learned newer forms of social control.”<sup>12</sup> The report belittled equality, citizen participation in governance, and advocated decreased democracy.

The 1973 oil embargo is evidence of Bilderberg and Trilateral Commission power. Those who may believe that these individuals, though powerful, could only marginally affect policy, would be surprised to learn how major geopolitical events of the 1970s were managed by the participants of the Bilderberg meetings and the Trilateral Commission. According to a 1976 article in *Foreign Policy*, a bimonthly independent news magazine later purchased by the *Washington Post*, the “oil shock” of the 1970s was planned by the United States before the beginning of the 1973 Yom Kippur War, in order to funnel money to U.S. banks. According to the investigation, “Since 1971, the United States has encouraged Middle East oil-producing states to raise the price of oil and keep it up.” Saudi Arabia, which had allegedly cut back production – its “oil weapon” – to punish the United States for supporting Israel during the Yom Kippur War, had already previously agreed to send the excess embargo oil profits to America.<sup>13</sup> Yet the mainstream press generally reported the oil story as a crisis between Arabs and supporters of Israel.<sup>14</sup>

According to *Foreign Policy*, the Saudi Arabia oil minister, Sheikh Yamani, sent a letter to the Treasury Secretary in 1975 accusing the United States of orchestrating the oil production cut. The article suggests that Kissinger was behind the pressure to cut production, and the Shah of Iran was taking its cues from Kissinger.<sup>15</sup> In January 2001, the Guardian of London published an article based on their interview with Sheikh Yamani. Yamani repeated his claim from 1975: “I am 100 per cent sure that the Americans were behind the increase in the price of oil.” He claimed that the Shah of Iran told him that Kissinger was behind the price increase. Then he pointed to the May 1973 Bilderberg meeting in Sweden. Minutes of that meeting discuss a four-fold increase in the price of oil before the October 1973 Yom Kippur War began.<sup>16</sup>

Although the mainstream media stated that the oil embargo was an “oil weapon” against the United States, it also reported that the Arab oil nations were giving the excess oil funds to U.S. banks. In fact, one *New York Times* article from December 1974 reported the plan by the Trilateral

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<sup>7</sup> Trilateral Commission, *The Crisis of Democracy*, (1975) 106

[http://www.trilateral.org/download/doc/crisis\\_of\\_democracy.pdf](http://www.trilateral.org/download/doc/crisis_of_democracy.pdf) (retrieved December 2015).

<sup>8</sup> Gene Berkman, “The Trilateral Commission and the New World Order” *antiwar.com*, January 1993

<http://www.antiwar.com/berkman/trilat.html> (retrieved December 2015).

<sup>9</sup> Trilateral Commission, *Crisis*, 112-113.

<sup>10</sup> Trilateral Commission, *Crisis*, 173.

<sup>11</sup> Trilateral Commission, *Crisis*, 4.

<sup>12</sup> Trilateral Commission, *Crisis*, 28-29.

<sup>13</sup> V.H. Oppenheim, “Why Oil Prices Go Up; The Past: We Pushed Them” *Foreign Policy*, No. 25 (Winter, 1976-1977), pp. 24-57.

<sup>14</sup> *New York Times*, “Arabs Term Their Oil Embargo More Severe Than Foreseen” Nov 5, 1973, page 62.

<sup>15</sup> Oppenheim, “Oil,” 45, 46.

<sup>16</sup> *Guardian*, “Sheikh Yamani tells Oliver Morgan and Faisal Islam why a production cut would hurt everyone - even Opec”, Jan 13, 2001 <http://www.theguardian.com/business/2001/jan/14/globalrecession.oilandpetrol>

Commission to redirect Saudi Arabia oil money towards the IMF and World Bank for investment in Africa and Latin America.<sup>17</sup> The article did not give any wider context to, or portrayal of, the Trilateral Commission's ideological leanings, which clearly include a fear of "excess democracy" from the nations pressured to receive the loans. The article also did not point out the irony of Arab nations funneling "oil weapon" money back towards the United States who they were allegedly penalizing. The war and "oil shock" was devastating, but the Third World would suffer further devastation due to the privatization and commercialism policies resulting from their neoliberalism agenda. According to the *Economist* in 2005, "In the 1970s and early 1980s surplus petrodollars were largely deposited in banks in America or Europe. These banks then lent to oil-importing developing countries, sowing the seeds of Latin America's debt crisis."<sup>18</sup> Kissinger had just finished his part in the bombing of Cambodia and the coup in Chile. Chile, under the rule of Augusto Pinochet, then, became a model IMF nation that helped define the term neoliberalism. Later, in 1978, the *New York Times* published an article written by political economist David Calleo that praised and promoted the work of the Trilateral Commission, concluding "The Trilateral Commission still has its work before it."<sup>19</sup>

In 1974, Nelson Rockefeller, brother of David Rockefeller and Kissinger's longtime employer, was opportunely appointed Vice President as part of the fallout from the alleged Watergate scandal. Later, an article in the *New York Times* from 1977 was titled "A White House Supply Depot: The Trilateral Commission." This article discusses how the Carter Administration was entirely staffed with Trilateral Commission members. The article states, "the commission has been an early advocate of policies which were subsequently adopted," although it states that the policies would probably have been adopted without the Commission. It also discusses the agenda of its members, an agenda that revolved around breaking down national barriers to help facilitate trade and commerce. President Nixon, apparently, was not a very cooperative president for this agenda, which caused a schism in the GOP, according to the article.<sup>20</sup> Part of the Bilderberg's "oil shock crisis" agenda involved a massive transfer of United States gold reserves to IMF coffers. The transfer of U.S. gold reserves accelerated under the Carter Administration ostensibly in order to deal with the economic issues of the 1970s.<sup>21</sup> Decoupling the U.S. dollar from its redeemable metal in 1971 was the first necessary step for this massive assets transfer.<sup>22</sup>

In 1976, Trilateral Commission member George H. W. Bush was appointed to head the CIA. In 1980, the Reagan and Thatcher revolution would change the political climate further to support this elite network. During the 1980 Presidential election, George H. W. Bush was under attack by his own party for his association with the Trilateral Commission. According to the *New York Times*, Reagan supporters had attacked Bush for his connections to Rockefeller: "Mr. Bush has demanded that Mr. Reagan disavow unsigned pamphlets criticizing Mr. Bush for his former membership in the Trilateral Commission, an organization, founded by David Rockefeller, comprised of government and private officials from United States, Western Europe and Japan, that studies issue of interest to those nations."<sup>23</sup> In July, the *New York Times* reported that many GOP members were disappointed in the Trilateral Commission member's nomination as Reagan's Vice President.<sup>24</sup> Yet the only reason the mainstream media mentioned the Trilateral Commission was due to grass-root concerns. A 1980 August *New York Times* article mocked these concerns as silly "conspiracy theories."<sup>25</sup>

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<sup>17</sup> Edwin L. Dale, "Jr. Plan Is Offered to Channel Oil Money to Poor Lands" *New York Times* December 27, 1974, page 3.

<sup>18</sup> *Economist*, "Oil producers' surpluses Recycling the petrodollars" Nov 10, 2005  
<http://www.economist.com/node/5136281>

<sup>19</sup> David P. Calleo, "What Has Gone Wrong?" *New York Times*, May 21, 1978, page E21.

<sup>20</sup> Paul Lewis, "A White House Supply Depot: The Trilateral Commission" *New York Times* Feb 13, 1977 page E5.

<sup>21</sup> Clyde Farnsworth, "Gold Sales Plan Lowers Prices And Aids Dollar" *New York Times* April 21, 1978, page 17.

<sup>22</sup> Edwin L. Dale Jr., "SEVER'S LINK BETWEEN DOLLAR AND GOLD" *New York Times* Aug. 16, 1971, page 1.

<sup>23</sup> *New York Times*, "Campaign Report: Reagan, in Texas, Assails Bush Campaign Statements" May 3, 1980 pg. 9.

<sup>24</sup> Martin Tolchin, "Conservatives First Recoil, When Line Up Behind Bush" *New York Times* July 18, 1980, page A9.

<sup>25</sup> *New York Times*, "The T.L.C." August 25, 1980 pg. A22.