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AMERICAN JEWISH ARCHIVES

Preserving American Jewish History

MS-603: Rabbi Marc H. Tanenbaum Collection, 1945-1992.

Series E: General Alphabetical Files. 1960-1992

Box 82, Folder 4, Energy crisis, 1973.

cc: George Gruen
 Isaiah Terman
 Bertram H. Gold

THE AMERICAN JEWISH COMMITTEE

date August 8, 1973
to Rabbi Marc Tannenbaum
from Neil Sandberg

subject

As you know, we have had an on-going flap with Standard Oil of California on the Arab-Israel situation. In yesterday's L.A. Times, it was reported that Rev. Harold Fickett, Pastor of the very large First Baptist Church of Van Nuys, had taken issue with Standard Oil's position.

I called Rev. Fickett and congratulated him. He was delighted with my call and suggested that we get together for lunch after Labor Day to discuss matters of mutual concern. Later in the day, Rabbi Steve Jacobs of our L.A. Board also called Rev. Fickett, and the three of us plan to get together in the fall. (D)

Dr. Fickett's logic re: Standard Oil is fascinating. He quoted from Genesis, suggesting that the enemies of Abraham would be punished by God. Hence, following the Spanish Inquisition, God destroyed the Spanish Armada. God is also on the side of the Jews as against the Arabs. By the way, he says the Arabs are doing very well in the Jewish state.

His ultimate logic is that he is concerned with the U. S. coming out against Israel because he doesn't want harm to come to the U.S. -- divine retribution!

He also mentioned his involvement with the Prophetic Conference in Jerusalem last summer when he and a group of evangelicals came out publicly for a unified Jerusalem. Fickett also told Rabbi Jacobs that we Jews should know mainline Protestants were not our best Christian friends but, rather, the evangelicals. While they might try to proselytize us, they also respected our right to disagree. Above all, however, they were firmly on the side of Jewish survival.

Regards.

Attachments that should
have come with Wilson
letter but which only
arrived.

THE UNITED PRESBYTERIAN CHURCH
IN THE UNITED STATES OF AMERICA



The Program Agency

475 Riverside Drive, New York, N.Y. 10027
Room 1244K

August 22, 1973

Dr. Henry A. Kissinger
Assistant to the President
for National Security Affairs
Old Executive Office Building
Washington, D.C. 20506

Dear Dr. Kissinger:

A recent Associated Press wire story appearing in the Albuquerque Journal datelined Jerusalem, August 14th, states that Israeli government officials have approved two proposals made by Defense Minister Moshe Dayan regarding permanent use of occupied territories now controlled by the Israeli government.

In the first instance, approval has been given for construction of a deep water port city in the Gaza strip to be called Yamit (Sea Town). It is to include 900 housing units, be completed by 1977 and involve an initial cost of 240 million dollars.

The second case involves approval for Israeli citizens to purchase land from Arabs in the Jordan Valley and Jerusalem environs which are also part of the occupied territories. The Israeli daily Ha-aretz is quoted as saying that "the Labor Party intends to confront the voter as a movement striving to carve a new map for the State of Israel without waiting for peace talks with Egypt and Jordan."

Should this report be true, it is a matter of deep concern that such unilateral actions will dispel the possibility of Israel ever relinquishing the occupied territories in these areas. I would appreciate your comment on this development as to its veracity and whether or not it is the intention of our government, if this is official Israeli policy, to protest through appropriate means what appears to undermine the basic principles of a negotiated settlement as called for in United Nations Resolution 242.

Yours sincerely,

Donald J. Wilson
Associate for
International Affairs

DJW:jks

cc: Rabbi Tannenbaum ✓

THE UNITED PRESBYTERIAN CHURCH
IN THE UNITED STATES OF AMERICA



The Program Agency

475 Riverside Drive, New York, N.Y. 10027
Room 1244K

August 22, 1973

Dr. Joseph Sisco
Assistant Secretary for Near Eastern
and South Asian Affairs
Department of State
Washington, D.C.

Dear Dr. Sisco:

A recent Associated Press wire story appearing in the Albuquerque Journal datelined Jerusalem, August 14th, states that Israeli government officials have approved two proposals made by Defense Minister Moshe Dayan regarding permanent use of occupied territories now controlled by the Israeli government.

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Yours sincerely,

Donald J. Wilson
Associate for
International Affairs

DJW:jks

MEMORANDUM

THE AMERICAN JEWISH COMMITTEE
INSTITUTE OF HUMAN RELATIONS
165 East 56th Street, New York 22, N. Y. • Plaza 1-4000

from the desk of ISAIAH TERMAN
Director of Communications and Servicing

"THE GASOLINE SHORTAGE ---

ITS IMPACT ON AMERICANS' ATTITUDES TOWARDS ISRAEL"

By Milton Ellerin

The enclosed report seeks to explore whether, as the result of the current gasoline shortage, Americans are now more inclined than previously to be critical of Israel and therefore would support or demand a government policy of more "evenhandedness in the Middle East."

The report, a distillation of a more detailed study, (copies of which are available on request), is preliminary in nature and covers the brief time span of the current gasoline shortage. Obviously, certain changing conditions that are discussed in the report could readily make the present findings invalid.

August 10, 1973
AJC and CRC offices
1a-d2abchi(bc); Encl.
73-310-59

Unfiled

AMERICAN JEWISH ARCHIVES
THE GASOLINE SHORTAGE -
ITS IMPACT ON AMERICANS' ATTITUDES TOWARDS ISRAEL
by Milton Ellerin

August 1973

זכר אלה יעבור
ישראל
Trends Analyses Division
Department of Intergroup Relations and Social Action
The American Jewish Committee
165 East 56 Street
New York, N.Y.

There appears to be ample evidence suggesting that a drive, inspired by a threatened gasoline shortage, is currently underway by Arab governments, oil company spokesmen and Arab sympathizers, to increase U.S. support for the Arab states, with a concomitant lessening of support for Israel. Because of its topicality, newspapers, the major news weeklies, radio and television programs have all featured lengthy analyses of the whys and wherefores of the energy crisis in general and the gasoline shortage in particular. Among other things they have stressed the vast increase in our recent energy demands, the present and future reliance on Middle East oil to meet these demands, and the competition by the world's consuming nations for that oil. The dominant conclusion left with readers and viewers is that our energy crisis will deepen, and that the Arab world, for the next decade at least, holds the upper hand.

Precisely when the current drive to impress Americans with the need to lessen our support to Israel and increase our backing of the Arab countries started is difficult to say. A major effort appears to have begun in the summer of 1972 when the dim outlines of the approaching energy crisis first became visible to the American public. On June 7, 1972 two senior oil company executives, testifying before the Congress, warned that American support for Israel threatened vital U.S. economic interests in the Middle East and coupled their warning with a request for "a sober reappraisal of U.S. foreign policy toward Arab states."

During the height of the 1972 Presidential campaign A. J. Meyer, Professor of Middle Eastern Studies at Harvard, testifying before the House Subcommittee on Foreign Economic Policy, urged improved ties with the Arab world so as to insure an adequate supply of Arab oil. In May 1973 Senator J. William Fulbright in opening hearings on foreign policy implications of the world energy situation, suggested that the U.S. "reexamine our foreign policy to cooperate with the areas where the oil lies" and warned that if the U.S. wanted access to Middle East oil supplies it should end its attitude of unlimited support for unlimited expansion by Israel.

The Arab League's Office of Information, obviously sensing an opportune time to reach an American public feeling the pinch of fuel oil and gasoline shortages, has reprinted and circulated at least eight articles from American newspapers articulating opinions of some experts about America's heavy dependence on Arab oil in the next decade; spreading the notions that U.S. national interests are best served by friendship with Arabs as well as Israelis and the determination of Arab leaders to use oil as a weapon to achieve political objectives.

Arab apologists joined in the effort, publicizing assessments about the dependence on Middle East oil for the next decade, claiming that U.S. help for Israel has jeopardized U.S. interests in Arabian oil, and raising the specter of war by highlighting Senator Fulbright's

speech which suggested that growing dependence on Middle East oil might force the U.S. or its "military surrogates" to take over Arab oil producing states by force.

During the past three months the daily press, national news weeklies, radio and television devoted considerable space to all facets of the energy crisis and gasoline shortage, while trying on the whole to present a balanced picture, have reported in detail our dependence on the Middle East as a source of oil for the next ten years, the growing demand by Arab officials in the oil producing countries to use oil as a political weapon to force a change in U.S. policy. Thus we learned that Sheik Ahmed Zaki al Yamani, Saudi Arabian Minister of Oil and Minerals, reportedly warned Secretary of State Rogers that his country would find it difficult to supply oil to the United States if America did not use its goodwill to bring about a political settlement in the Middle East satisfactory to the Arabs. Egyptian President Anwar Sadat and other Arab personages have by interview or news leak issued similar threats. On June 11th Libyan Premier Qaddafi nationalized the \$140 million Nelson Bunker Oil Company installation in Libya and coupled the action with the warning that the time has come for the Arabs to seriously and dangerously threaten "American interests because of American support for our Israeli enemy."

In a July 4th interview with the Washington Post, Saudi Arabian King Faisal warned that the continuation of the traditionally strong American-Saudi Arabian ties depended upon the U.S. evolving a more evenhanded and just policy in the Middle East. Faisal was also reported to have delivered a "stern lecture" to American oil company officials demanding they seek to influence the U.S. government to change U.S. policy in the Middle East.

While the causal connection with Faisal's warning cannot be established, the initial salvo in a major oil company offensive for lessening U.S. support for Israel was a Mobil Oil advertisement, published on the Op-Ed page of the New York Times on June 21st and in scores of other newspapers throughout the U.S. The advertisement stressed the necessity for settlement in the Middle East to preserve our oil supply and the importance to the U.S. of Saudi Arabia as a major oil supplier. The advertisement also warned that if our country's relations with the Arab world continued to deteriorate, Saudi Arabia might well conclude that it would not be in its best interests to look favorably on U.S. requests for increased petroleum supplies.

On July 26th the Board Chairman of Standard Oil of California, in a letter to 40,000 employees and 262,000 stockholders, asked their support for the aspirations of the Arab people and their efforts towards peace in the Middle East, and urged that the U.S. government

work more closely with the Arab governments to build up and enhance our relations with the Arab people.

Most of the fringe groups on the American political scene have apparently not been influenced by the Arab-inspired campaign. The far left has tended to view the gasoline shortage as a ploy by the oil cartel and monopolists to stifle competition and increase prices. The right wing has tended to blame the current gasoline shortage and energy crisis on ecologists and environmentalists.

The hardcore anti-Semites have not developed any consistent or coordinated approach to the energy crisis. Predictably they tend to see it as part of the ever present or pervasive Jewish conspiracy, although they have not overlooked the occasion to attack U.S. support for Israel.

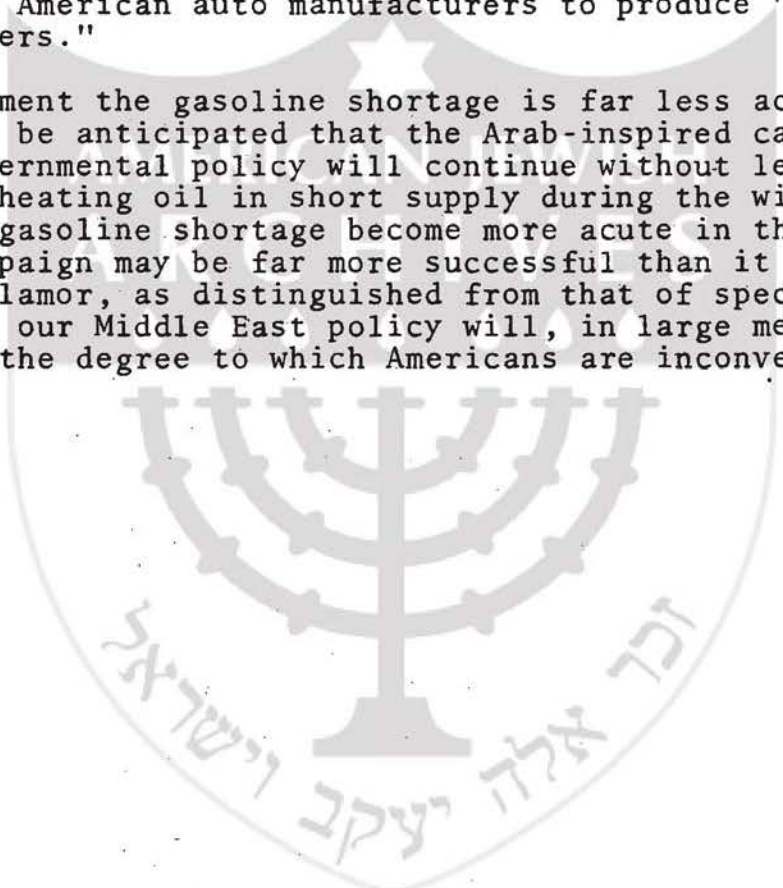
The impact on American public opinion of these efforts is as yet unclear. Articles sympathetic to the Arab point of view and calling for a change in the Middle East policy have appeared in Reader's Digest, Christian Science Monitor and Time magazine. A nationally syndicated column by Jenkins Lloyd Jones, editor of the Tulsa Tribune, speculated that U.S. support of Israel was the No. 1 disaster in the history of our foreign policy and urged that we cultivate friends in the Arab world.

Officially the U.S. government has given no indication of changing its present policy. Indeed the long awaited Presidential message on the energy crisis made no reference whatever to the Middle East, much less hint at any change in policy. However, it should be noted that the New York Times of August 7th reported that the U.S. State Department has begun a low-keyed effort to prod Israel to come up with some fresh ideas to break the stalemate in the Middle East, and reported that many administration officials are privately expressing the notion that if a solution is not found Saudi Arabia might find herself under strong pressure to hold down production of oil. On occasion, other press reports have suggested that military planners, convinced of our dependence on Middle East oil for the next decade, have urged that our political objective should be "to keep the Arabs sweet."

A careful three months survey of major newspapers and news weeklies finds virtually no public clamor for a change in U.S. policy detrimental to Israel and favorable to the Arabs. Indeed some newspapers and influential Congressmen have publicly repudiated what they describe as Arab efforts to blackmail the U.S. during the energy crisis. Others have pointed out the instability and unreliability of the Arab governments, asserting that it would be a fatal mistake to exclusively rely on the Arabs for our oil needs. Some, such as Senator Henry Jackson, have argued that even if Israel did not exist, inter-Arab rivalry and Soviet exploitation would make our energy sources insecure.

Undoubtedly the Arab-inspired campaign has had some, unmeasurable as yet, impact. However, it would appear that the vast majority of Americans still do not attribute the gasoline shortage to our Middle East policy. Rather, there is a widespread belief that the gasoline shortages are artificial -- a result of monopoly practices by oil companies. Other accepted theories are: that Arab oil producers are withholding supplies in anticipation of price rises; that Arab governments are using oil to blackmail the U.S.; and that environmentalists and ecologists have prevented exploration for new sources of oil and full utilization of known sources of supply, with the Clean Air Act of 1970 forcing American auto manufacturers to produce "a breed of gas consuming monsters."

For the moment the gasoline shortage is far less acute than predicted. It may be anticipated that the Arab-inspired campaign to change U.S. governmental policy will continue without let up. Should Americans find heating oil in short supply during the winter months, and should the gasoline shortage become more acute in the ensuing months, the campaign may be far more successful than it has been to date. Public clamor, as distinguished from that of special pleaders, for a change in our Middle East policy will, in large measure, be conditioned by the degree to which Americans are inconvenienced by the oil shortage.



August 19, 1973

WRFM RELIGION COMMENTARY
RABBI MARC H. TANENBAUM* OF THE AMERICAN JEWISH COMMITTEE
"ENERGY PROBLEM - THE SAUDI ARABIAN CONNECTION"

On July 11, 1973, the U. S. Senate gave overwhelming approval to a resolution calling on the United States to take the lead in seeking an international agreement on a proposed treaty to prohibit environmental warfare. Environmental warfare refers to the calculated tampering by governments with natural forces for political or military purposes, ranging from simple rainmaking through cloud-seeding, to stimulating earthquakes, weather modification, setting off tidal waves, and other perverse and immoral methods of human destruction or discomfort for geopolitical purposes. At the international environmental conference in Stockholm last year, all participating governments agreed to guard against such manipulation of nature for military or political objectives. While it generally has not been viewed in this perspective, it seems increasingly evident - and no less perverse - that the so-called energy crisis represents a distinctive form of this diabolical environmental warfare. Instead of seeding clouds and stimulating earthquakes as a brutal means of intimidating or blackmailing your enemy or victim, to do your bidding supinely, you manipulate God-given natural

* Rabbi Tanenbaum, who is National Director of Interreligious Affairs of the American Jewish Committee, presents a weekly religion commentary on WRFM.

resources such as crude oil or natural gas for such political blackmail purposes.

According to a series of recent reports in the reliable Wall Street Journal, that is exactly what oil-rich Arab governments have launched - energy warfare against the government and people of the United States, not to speak of Western Europe and Japan. At the center of the blackmail campaign in Saudi Arabia, which together with Kuwait and Libya, egged on by Egypt, are threatening to withhold or slow down their oil production unless and until the United States adopts a so-called "even-handed" policy in the Middle East. As anyone even vaguely familiar with recent Middle East realities knows, "even-handed policy" is stated explicitly in the lexicon of Arab revolutionaries to mean "the dismantling of the State of Israel," namely politicide. What the advocates and fellow-travelers of energy warfare do not take into adequate account is that they are playing with a two-edged sword. Oil and gas are not the only resources in limited supply. Wheat, corn, and soybeans, for example, are also natural resources, and it is not altogether inconceivable that should these governments and their allies mindlessly try to bully or back the American people against the wall that Americans will be tempted to reciprocate in kind by withholding or slowing down commodities for which we are now the major resource on the world market. That, of course, would be a profound moral and human tragedy, especially for

countries in Africa and Asia, who are stalked by the dread specter of hunger and starvation, and who deserve our humanitarian aid.

The more realistic and civilized response of America, which thankfully is already under way, is a greatly expanded government-sponsored energy research program especially in the conversion of coal to clean fuels, plus programs for more economical consumption of oil, that will reduce significantly our vulnerability to blackmail by Arab governments or anyone else.

In all the preliminary skirmishes thus far in this energy war against America, one must confess a terrible sense of chagrin over the role played by such major oil companies as Standard Oil of California, parent of Chevron, Mobil, Exxon and Texaco. Aside from the moral issue of their possible culpability in manipulating an artificial energy crisis which has given some of these companies a 50% increase in profit as of June, their recent political lobbying campaign among their stockholders to undermine the security of Israel for their selfish monopolistic gains raises pointedly the question of who determines the foreign policy in the United States -- our Congress or these conglomerates? Perhaps the time is upon us for the United States Congress to adopt a consensus resolution prohibiting energy warfare by American oil companies which is just as inimical to Americans and human interests generally as is environmental warfare.

August 19, 1973

WINS RELIGION COMMENTARY
RABBI MARC H. TANENBAUM* OF THE AMERICAN JEWISH COMMITTEE
"ENERGY WARFARE"

Recent reports in the Wall Street Journal reveal that oil-rich Arab governments have launched in effect energy warfare against the government and people of the United States. At the center of the blackmail campaign is Saudi Arabia, which together with Kuwait and Libya, egged on by Egypt, are threatening to withhold or slow down their oil production unless the United States adopts a so-called "even-handed" policy in the Middle East. The suggestion that the United States is endangering its energy supplies by its present policy is of course a deliberate distortion of fact. Oil supplies depend on stability, and Middle East energy sources would long ago have been endangered had it not been for the stabilizing effect of Israel in the actual balance of power in that region. We need only to recall that in September 1970 during the Syrian invasion of Jordan, Israel deterred extremists from forcibly toppling Arab governments of pro-Western regimes. If oil supplies will be threatened at all, the danger lies in inter-Arab rivalry, epitomized by the recent invasion of Kuwait by Iraq, or in subversion and in internal power struggles, and not in the Arab dispute with Israel, which has become a convenient pretext and smokescreen.

*Rabbi Tanenbaum, who is National Director of Interreligious Affairs of the American Jewish Committee, presents a weekly religion commentary over WINS-Westinghouse Broadcasting System.

It is often overlooked that not all Middle Eastern oil producers are Arab. Iran, the major non-Arab oil producer in the Middle East produces almost 10% of the world's crude oil, and Iran alone will be able to supply a major portion of U. S. imports in case of inaccessability of Arab oil to the U. S. Even a total Arab oil boycott on the U. S. - a hypothetical development that is difficult to imagine - could be reduced to manageable proportions within a short period. Our government, as well as other nations, have launched energy research programs and plans for more economical consumption of oil that unquestionably will lead to alternative sources of energy and therefore a decline in world dependence on Arab oil. Arab leaders must therefore realize privately that oil blackmail is^a two-edged sword, and that there are real limits to how much the American people and others will allow themselves to be bullied and backed against the wall.

Some reliable observers hold that the so-called energy crisis was artificidally created by the oil companies and their lobbyists, who have cashed in a 50% increase in profits as of June. Thus an artificial crisis was created and no real American interest was served, unless you are prepared to believe that what is good for the oil conglomerates is automatically good for America. Perhaps the time is upon us for the United States Congress to adopt a concensus resolution prohibiting energy warfare by American Oil companies which just as inimical to American and human interests generally as are all other forms of contrived warfare.

URGENT AND CONFIDENTIAL

ONE TO EACH OFFICE
PLEASE SHARH

MEMORANDUM

THE AMERICAN JEWISH COMMITTEE

date August 3, 1973

to Area Directors

from Bert Gold

subject July 26 Letter to Stockholders of Standard Oil Co.
in California

For some time now we have kept tabs on the discussions of the energy problem in the United States paying the closest attention to explicit and implicit expressions of opinion to the effect that the political situation in the Middle East is a prime determinant of the energy problem. The recent Mobil Oil Company ad, and the letters to the stockholders of Standard Oil Company of California (which we have learned was sent by the Chairman of the Board, O. N. Miller, with the full agreement of other Board members), are the latest salvos in this growing campaign.

We have met with representatives of other Jewish organizations of the NJCRAC to develop what we believe will be a useful and hopefully effective response. There was unanimous agreement that member agencies of the NJCRAC should not issue statements on the Standard Oil letter at this time.

Also, I think you should know, that a meeting is being arranged between two prominent members of the financial community in San Francisco (who happen to be members of AJC) with the President of Standard Oil of California, whose corporate headquarters are in San Francisco.

The NJCRAC organizations agreed on the following:

- 1) Constituent NJCRAC agencies should encourage their membership, and especially stockholders, to write to Standard Oil of California 225 Bush Street, San Francisco, California 94104).
- 2) Efforts be made to secure a meeting of national Jewish leadership with Mr. Miller.
- 3) In those communities where there has been newspaper coverage of the stockholder letter, and where there exists a good relationship with political leaders, such as U. S. Senators, an appropriate effort be made to have them issue public statements.

continued.....

August 3, 1973

4) It is recognized that many people would be so outraged that they would want to send their credit cards back to Standard Oil with an appropriate letter. This, of course, is an understandable reaction. However, we do not believe that a formal public boycott is called for.

We believe it important that you call upon our membership to respond, in strong terms. Our members should be informed by our office that in response several points should be stressed:

1) Contrary to implications contained in the Standard Oil letter a tremendous amount of United States assistance has, indeed, been given to Arab countries through enormous economic aid in terms of food supplies and special assistance programs such as refugee relief programs.

2) Israel is a strong and stable element in an area of endemic instability.

3) Even if Israel did not exist, Arab governments would still be pressuring for greater profits and other advantages.

4) Negotiations along the lines mentioned in Resolution 242 is the most reasonable approach to secure peace in that troubled area of the world.

I hope this material will be helpful to you. I would appreciate your letting me know if you feel that the Ellerin report should be distributed to the CRC's. Also, would you please send to Milton Ellerin any news stories, editorial or comments which have appeared or will be appearing.

bhg/aw

Please note following enclosures:

The letter sent by the Chairman of the Board of Standard Oil of Calif. The August 3rd, 1973 New York Times Story.

A draft study by Milton Ellerin.

A memorandum prepared by a knowledgeable source which has been shared with us that further illuminates the issues.

A June 28th, 1973 New York Times Op-Ed piece by Senator Jackson.

Hand signed

[start]

Original documents
faded and/or illegible





Standard Oil Company of California

225 Bush Street, San Francisco, California 94104

Thought you might find this interesting.

Harris L. Kempner, Jr.

O. N. Miller
Chairman of the Board

July 26, 1973

AUG 2

To our Stockholders:

All of us are well aware that the United States is not producing enough oil and gas to meet the overall demands which exist today for these energy resources. We are becoming increasingly dependent on foreign oil imports.

Here in the United States we must increase our exploration efforts to find new oil fields, and do all that we can to develop all sources of energy. However, even with our strongest efforts in these directions, it is clear we must look to increased imports of foreign oil in sizable quantities.

Since 1960, the Nation's volume of petroleum imports has increased more than three-fold, and now amounts to more than 35% of our domestic requirements. The foreign oil we will need could rise to 45-50% by the end of the 1970's.

A key question certainly is, "From where is all this oil to come?" Obviously, we must look to all parts of the world, but primarily to the prolific oil fields of the Arab/Persian Gulf area which contain almost two-thirds of the Free World's oil reserves.

Standard Oil Company of California has had a long association with the Gulf area, which has become important as a basic supply source for Western Europe and Japan, and will be an important source for the United States in the years ahead. California Standard made the first oil discovery on Bahrain Island in the Gulf in 1932. A year later it concluded an historic agreement with King 'Abd al-'Aziz to explore and develop the Eastern segment of Saudi Arabia, which contains nearly one-fourth of the world's known oil reserves.

During these 40 and more years, we have maintained a continuous and cordial relationship with the Arab people. The development of their oil fields has been a story of mutual cooperation and benefit, reinforcing bonds of friendship between our two peoples that were forged decades before.

There now is a growing feeling in much of the Arab world that the United States has turned its back on the Arab people. Many are said to feel that Americans do not hold in proper regard the national interests of the Arab states, their long history of important contributions to civilization, their efforts to achieve political stability and to develop sound and modern economic structures.

All of this is occurring at a time when the Arab states - because of their vast reserves of crude oil - are becoming increasingly important to the future welfare of the Western world. The Arab states and Iran - hold the key to the energy resources which fuel the industrialized nations of Western Europe and Japan. They represent the only major source to which the United States can look for any substantial increase in its crude oil imports to meet our needs.

It is highly important at this time that the United States should work more closely with the Arab governments to build up and enhance our relations with the Arab people. We as Americans have a long history of friendship and cooperation with Arabs. It goes back more than 100 years, long before the first oil operations, and involves cultural relationships which encompass education and religion, as well as commercial trading.

During this time, much good will has been established which must be enhanced. There must be understanding on our part of the aspirations of the Arab people, and more positive support of their efforts toward peace in the Middle East.

It is in the best interest of all of us who are citizens of the United States to urge our Government to work toward conditions of peace and stability. We must acknowledge the legitimate interests of all the peoples of the Middle East and help them to achieve security and a dependable economic future.

Looking forward to the energy needs in the years ahead, it is in our mutual interest to encourage a United States Government course which recognizes the importance of these objectives to the future of all of us – a course which above all seeks a peaceful and just settlement of conflicting viewpoints.



O. H. Miller

THE ENERGY PROBLEM : PRESSURE ON AMERICA'S MIDDLE EAST POLICY

A concerted and sustained effort aimed at influencing U.S. policy in the Middle East is now under way. By repeated paid appeals through the media, and by direct letters to stockholders, oil companies intend to create a feeling of insecurity and an atmosphere of crisis about America's energy supplies. These companies assert that danger can be averted only by a change of U.S. policy in the Middle East.

In order to divert public attention from the anti-trust violations - which are presently the subject of legal proceedings - some oil companies are trying to blame the artificially-induced gasoline shortages in the U.S.A. on an imaginary faulty policy of the U.S. government towards oil producing countries, specifically the Arab ones among them.

Present local fuel shortages are the result of a lack of refining facilities, and of adequate distribution planning. They have no connection with the medium and long-range energy problem. Any attempt to link these two different issues, in order to bring about pressure on U.S. foreign policy, cannot be substantiated. Faced with a growing energy demand, the U.S. Government embarked on a major effort to develop alternative domestic energy resources

of all types, and to secure the energy needed in the future.

The suggestion that by its present policy in the Middle East the U.S.A. is endangering its energy supplies, is a deliberate distortion of the facts.

Oil supplies depend on stability, and Middle East energy sources would long ago have been threatened in a much more serious manner - and actually endangered - had it not been for the stabilising effect of the actual balance of power in the region.

If oil supplies will at all be threatened, the danger lies in inter-Arab rivalry, in subversion and internal power struggles, and not in the Arab dispute with Israel. The Arab-Israel conflict is often used by the Arabs as a convenient slogan and they derive encouragement from persistent efforts in the Western media to ascribe regional instability to Israel and the Arab/Israel conflict.

Kuwait was recently threatened with an Iraqi invasion and Saudi Arabia is menaced by subversion from other Arab States or Arab "revolutionary" movements supported by the U.S.S.R. and China.

Israel in contrast, has served as a stabilizing factor because its military posture has deterred extremists from forcibly taking over the Governments of pro-Western regimes. This role by Israel came out in September 1970 during the Syrian invasion of Jordan, subsequently during Fedayeen and Syrian attempts to upset the Lebanese regimes. Israel's position with regard to Egypt since June 1967 had put an end to the Egyptian presence in Yemen and Egyptian subversion in Saudi Arabia and ARABIAN PENINSULA.

Israel secures the ARAMCO TAPLINE which crosses the Golan Heights carrying Saudi oil to the West.

The fact is often overlooked that not all Middle Eastern oil producers are Arab. Iran, the major non-Arab oil-producer in the Middle East, produces almost 10% (5,050,000 barrels a day) of the world's crude oil and is expected to raise production in the coming years up to 8 million barrels a day. Iran alone will be able to supply a major portion of U.S. imports, in case of inaccessibility of Arab oil to the U.S. (U.S. imports in 1972 from all outside sources were 4,740,000 barrels a day).

Furthermore, there is no such concept as "Arab" oil. There

are different Arab oil-producing states, with different, often conflicting regimes, policies and interests, and are united only in their efforts to maximize profits.

In the case of Saudi Arabia, the regime has two basic goals : ensure its stability and only second to that, to maintain oil exports in return for maximum profits. It is inconceivable that the Saudi Government would risk its own and the ~~Arab~~ ^{Arabian} security, that is dependent on its relationship with the U.S., by applying political blackmail against the U.S., using oil as the weapon.

Even a total Arab oil boycott on the U.S. - a development that is difficult to imagine - could be reduced to manageable proportions within a short period if ever such a hypothetical emergency arose.

The 1967 experience has shown that even in a situation of war in the Middle East, an Arab oil-boycott is unfeasible and a partial or selective boycott is even less workable. A U.S. Oil Import Task Force report of 1970 concluded that "to have a problem, one must postulate something approaching a total denial to all markets of all or most Arab oil".

After instituting partial boycotts by some of the Arab producers immediately after the June war, the leaders of the Arab states reached the conclusion that it would

better serve their purpose to sell the oil.

Despite President Sadat's statements, Egypt has reiterated the same logic : it is better to sell oil than to deny it

to the West. Egypt recently concluded new concession agreements with two of the Major American oil companies - Exxon and Mobil. This conduct cannot seriously be considered as reflecting the intention to use oil as a political weapon.

The entire so-called energy crisis was artificially inflated by the oil companies and their lobbyists.

Only when the campaign had gathered considerable momentum in America, did some Arab leaders take up the theme and echo what they had been expected to say. Thus an artificial cycle was created and no real American interest was served thereby.

Arab leaders of oil-producing states are very much aware that oil as a political weapon is a two-edged sword. They are also aware of the fact that oil is a wasting asset and that a decline of world dependence on oil will take place as soon as alternative sources of energy are perfected and rendered economically marketable. Consequently, they have a vested interest in maintaining a high degree of credibility for themselves in the oil market, and for as long as possible.

It is inconceivable that the U.S. would in any way encourage the Arabs into believing they can acquire such leverage-power over it. Not because of any American commitment to Israel, but because exposure to such vulnerability would be an invitation to ever-escalating demands that could end in disaster. Indeed, responsible U.S. spokesmen have strongly emphasized that the U.S. will not tolerate blackmail through exploitation of its need for Mideastern oil.

While all will welcome U.S. policy moves designed to bring together the Arabs and the Israelis for peace talks, this cannot be best accomplished by compromising U.S. interests in the Middle East which are the maintenance of peace and stability, and reliance on stable and friendly governments.

Those who counsel that the U.S. government adopt a policy designed to please the Arabs are concealing half the truth from the U.S. public and the government. They know very well that what the Arabs are demanding from the U.S. is strictly what the U.S. can deliver at the expense of Israel. Those who are promoting this line are therefore requiring the U.S. to sacrifice the interest of a friend and ally in return for an elusive and unachievable goal. It is an illusion to believe that the Arabs can be satisfied by any U.S.-inspired compromise solution to the conflict. In the years of 1969-72

the U.S.S.R. was committed to assist the Arabs through arms and equipment and even deployment of its own manpower. But all of this did not satisfy the Arabs and the Russians were eventually evicted from Egypt, because the Soviet Union refused to satisfy the Arab demand to grant them the capacity to overcome Israel totally. Could anyone seriously conceive of the U.S. embarking on a similar road?

AMERICAN JEWISH
ARCHIVES



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ENERGY PROBLEM - THE SAUDI ARABIAN CONNECTION

On July 11, 1973, the U. S. Senate gave overwhelming approval to a resolution calling on the United States to take the lead in seeking an international agreement on a proposed treaty to prohibit environmental warfare. Environmental warfare refers to the calculated tampering by governments with natural forces for political or military purposes, ranging from simple rainmaking through cloud-seeding, to stimulating earthquakes, weather modification, setting off tidal waves and other perverse and immoral methods of human destruction or discomfort for geopolitical purposes. At the international environmental conference in Stockholm last year, all participating governments agreed to guard against such manipulation of nature for military or political objectives. While it generally has not been viewed in this perspective, it seems increasingly evident - and no less perverse - that the so-called energy crisis represents a distinctive form of this diabolical environmental warfare. Instead of seeding clouds and stimulating earthquakes as a brutal means of intimidating or blackmailing your enemy or victim, to do your bidding supinely, you manipulate God-given natural resources such as crude oil or natural gas for such political blackmail purposes.

According to a series of recent reports in the reliable Wall Street Journal, (that is exactly what) oil-rich Arab governments have

launched ^{w effect} - energy warfare against the government and people of the United States, - ~~(not to speak of Western Europe and Japan.~~ At the center of this blackmail campaign is Saudi Arabia, which together with Kuwait and Libya, egged on by Egypt, are threatening to withhold or slow down their oil production unless and until the United States adopts a so-called "even-handed" policy in the Middle East. As anyone even vaguely familiar with recent Middle East realities knows, "even-handed" policy" is stated explicitly in the lexicon of Arab revolutionaries to mean "the dismantling of the State of Israel," namely politic^ode. What the advocates and fellow-travelers of energy warfare do not take into adequate account is that they are playing with a two-edged sword. Oil and gas are not the only resources in limited supply. Wheat, corn, and soybeans, for example, are also natural resources, and it is not altogether inconceivable that should these governments and their allies mindlessly try to bully or to back the American people against the wall that Americans will be tempted to reciprocate in kind by withholding or slowing down commodities for which ^{and technology} we are now the major resource on the world market. That, of course, would be a profound moral and human tragedy, especially for countries in Africa and Asia, who are stalked by the dread specter of hunger and starvation, and who deserve our humanitarian aid. The more civilized and realistic response of America, which thankfully is already under way, is a greatly expanded government-sponsored energy research program

~~especially in the conversion of coal to clean fuels,~~ (plus programs for ~~more economical consumption of oil,~~) that will reduce significantly our vulnerability to blackmail by Arab governments or anyone else.

In all the preliminary skirmishes thus far in this energy war against America, one must confess a terrible sense of chagrin over the role played by ^{a number} such major oil companies as Standard Oil of California, parent of Chevron, Mobil, Exxon and Texaco. [Aside from the moral issue of their possible culpability in manipulating an artificial energy crisis which has given some of these companies a 50% increase in profit as of June,] their recent political lobbying campaign among their stockholders to undermine the security of Israel for their selfish monopolistic gains raises pointedly the question of who ^{decides foreign policy for} ~~represents~~ the American people ~~in foreign affairs~~ our Congress or these conglomerates? Perhaps the time is upon us for the United States Congress to adopt a concensus resolution prohibiting energy warfare by American oil companies which is just as inimical to American and human interests generally as ^{are all other forms of} ~~is environ-~~ mental warfare.

THE AMERICAN JEWISH COMMITTEE

date August 2, 1973

to Bertram H. Gold

from Milton Ellerin



subject The Gasoline Shortage - Its Impact on Americans' Attitudes Towards Israel

There is attached a preliminary analysis, or interim report, on the public reaction, to date, attributable to the energy crisis. The report was written from a narrow perspective, seeking to determine: (1) If, as a result of the gasoline shortage Americans are inclined to blame Israel, and would support a government policy which would call for either more "evenhandedness in the Middle East" and a lessening of support for Israel; (2) If there has been widespread resentment against Israel, are American Jews being blamed for our government's current Mid East policy.

The report is preliminary in nature because I believe the evidence is far from complete. Changing conditions could readily make its findings invalid.

It seemed logical to do a report now because we have undergone a measurable period - (a) a period embracing widespread warning of an impending gasoline crisis, (b) actual shortage of gasoline, and (c) the easing up, perhaps temporary, of that crisis. It also seemed important that we have some data as we contemplate our program for the coming year.

Briefly, the report contains evidence of a campaign by Arab rulers and oil potentates, oil company spokesmen and Arab sympathizers to change government policy. There is some evidence that Faisal of Saudi Arabia has called in American oil company executives and laid down the law, demanding that they start using their muscle in order to bring about a change in U.S. Mid East policy. The report gives a representative sampling of the enormous media coverage of the energy crisis, all of which speculated on the causes of the oil shortage; the abundance of oil in the Middle East; and the fact that for the next decade our almost total reliance is on the Middle East as a source of oil. Even the most unbiased reports could well suggest to Americans the necessity for a change in our Mid East policy so as to insure the availability of petroleum. Arab apologists and oil company people have given substantial circulation, sometimes forcefully, sometimes subtly, to these opinions.

RECEIVED - AUGUST 14 1973

Bertram H. Gold

August 2, 1973

Surprisingly there has been little or no evidence of any widespread inclination to blame Israel, with almost no demand that we be less friendly to Israel and more friendly to the Arabs. The exception has been, of course, the gutter anti-Semites, but the reality is they have no impact on the overwhelming majority of Americans.

The report suggests that as of this writing there are a number of reasons for the failure to make U.S. support of Israel a scapegoat. A significant number of Americans believe that the gasoline shortage is contrived, or that it is the result of monopolistic practices of the oil companies. Another significant segment of American public opinion, while viewing the energy crisis as real, blame the ecology movement in that it has prevented offshore oil exploration, consummation of the Alaska pipeline and anti-pollutant devices in automobiles. There are even some responsible Americans who see and resent the energy crisis as an attempt by Arabs to blackmail the government.

I do not believe that the campaign is over by any means. It may well intensify in the months ahead. A heating oil crisis, coupled with a cold winter, could make Americans surly and more inclined to sacrifice Israel, if need be, for more oil. Obviously we should continue to pay close attention to the problem in the months ahead, but so far Phase I has not presented any significant problems.

ME/lk
Enc.

cc: Isaiah Terman
Seymour Samet
Morton Yarmon

There appears to be ample evidence suggesting that a drive is currently underway, possibly coordinated, by Arab governments, oil company spokesmen and Arab sympathizers, for increased U.S. support for the Arab states, with a concomitant lessening of support for Israel. Because of its topicality newspapers, the major news weeklies, radio and television programs all have featured lengthy analyses of the whys and wherefores of the energy crisis in general and the gasoline shortage in particular. Most analysis among other things have stressed the vast increase in our recent energy demands, the present and future reliance on Middle East oil to meet these demands, and the competition by the world's consuming nations for that oil. The dominant conclusion left with readers and viewers is that the energy crisis will continue to deteriorate, and that the Arab world, for the next decade at least, holds the upper hand.

Precisely when the current drive to impress Americans with our dependence on Mid East oil began is difficult to say. Arab spokesmen and Arab apologists have almost since the creation of the State of Israel hinted at or alluded to the notion that America's vital interests would in the long run be better served by a pro-Arab rather than a pro-Israel policy. A major effort, however, was not discernible until the summer of 1972 when the dim outlines of the approaching energy crisis became visible to the general public.

On June 7, 1972 two senior oil company executives in open testimony warned Congress that American support for Israel threatened vital U.S. economic interests in the Middle East and called for a "sober re-appraisal of U.S. foreign policy toward Arab states." In a news story commenting on the oil executives' statements, the Washington Post reported that "U.S. oil companies have been privately urging a more evenhanded administration approach to the Middle East crisis to stem the erosion of U.S. influence."

During the height of the 1972 Presidential campaign A. J. Meyer, Professor of Middle Eastern Studies at Harvard, testifying before the House Subcommittee on Foreign Economic Policy, urged improved ties with the Arab world so as to insure an adequate supply of Arab oil. He was concerned, he said, over the

"growing polarization of U.S. identification with Israel - accented by a range of events from the Munich raid to the vote-gathering (by both parties) in the current U.S. election campaign..." and that "our national interests are best served by friendship with the peoples and leaders of both sides - not just one - of the Arab-Israel frontiers... To Arab political leaders - and shapers of oil policy - the U.S. position is overwhelmingly one-sided. Many view it not only as an embarrassment to them - longtime friends of the United States - but also as potentially self-destructive for the United States."

In the spring of 1973 as the American motoring public was becoming painfully aware of a gasoline shortage, the Senate Foreign Relations Committee, chaired by Senator Fulbright, a longtime critic of America's pro-Israel stance, in late May 1973 opened hearings on foreign policy implications of the world energy situation. Fulbright's opening statement suggested that the United States "reexamine our foreign policy to cooperate with the areas where the oil lies" and warned "if the United States wants assured access to Middle East oil supplies it should end its attitude of unlimited support for unlimited expansion by Israel." (On the same day the Senate Interior and Insular Affairs Committee, chaired by Senator Jackson, opened hearings on a bill designed to decrease American dependence on Middle East oil. Jackson, in his opening statement, observed that "the uncertainties involved in securing stable sources of Middle East oil are increasingly apparent.")

The Arab League's Arab Office of Information, sensing perhaps an opportune time to reach an American public feeling the pinch of the oil and gasoline shortages, reprinted and circulated in the May and June editions of its monthly propaganda magazine Palestine Digest no less than eight articles from American newspapers articulating opinions of some experts that: America will be heavily dependent on Arab oil in the next decade; that U.S. national interests are best served with friendship with Arabs as well as Israelis; the increasingly belligerent mood of Arab leaders determined to use oil as a weapon to achieve their political objectives. While the articles were fairly low-key their net effect was obviously calculated to trigger either reader fear or appeal to economic self-interest. Additionally, the Arab Office of Information circulated the views of Professor A. J. Meyer and reprinted and circulated Senator William J. Fulbright's recent testimony critical of U.S. Middle East policy.

Arab apologists such as the American Committee for Justice in the Middle East also joined in the effort to bring about a change in American Mid East policy. Its main thrust to date has been the circulation of the printed record of the 26th Annual Conference on World Affairs held at the University of Colorado which considered the subject: The U.S. and the Middle East in the Second Nixon Administration. The Conference findings stressed our dire need for Middle East oil; refutation of the notion that the Arabs would never deny the United States its oil because of their needs for U.S. dollars, and that U.S. help to Israel has exacerbated the dangers to U.S. interests in Arabian oil. The conferees concluded that "as long as America's policy remains so supportive of Israeli military superiority and so hostile to the legitimate claims of Arab governments and the Palestinian people we can expect to experience higher risks to our oil supplies and our monetary and financial stability."

Arab propagandist Alfred Lilienthal's Middle East Perspective joined the fray, subtly hinting at a possibility of war in the Middle East because of U.S. dependence on that region for its oil. The

1973 issue gave prominent display to a speech by Fulbright which charged that the growing dependence on Middle East oil might lead the United States or its "military surrogates" to take over Arab oil producing states by force.

The newly formed National Association of Arab Americans in a press statement released after a meeting with Assistant Secretary of State for Near Eastern Affairs Joseph Sisko, declared that "continued support of Israel on the part of the United States would seriously jeopardize American economic and other vital interests in the Middle East" and that "peace must be made to avert a real energy crisis."

Arab government officials, interviewed by the media during the gas shortage patently attempted to influence American public opinion.

U.S. News & World Report of May 21st, in a five-page report "The Persian Gulf: U.S. Role In A Struggle Over Oil," concluded that the "Arab world, even America's friends inside it, is becoming increasingly irritated over U.S. aid to Israel. Some oil producers on the Gulf hinted that they might hold back increased oil supplies to the United States unless Washington alters its policies towards Israel."

In its May 28th issue the same magazine presented an in depth analysis - "Oil: Real State for U.S. in Middle East," which sought to give a balanced report by presenting Arab and Israeli viewpoints. Arabs interviewed claimed that the real U.S. stake in the Middle East is seeing that "justice is done," and predicted "that if the Arab-Israeli conflict could be settled (presumably by American pressure) Israel itself and American access to Arab oil would be preserved." They were "puzzled and dismayed by the United States approach to the Middle East and incredulous over a U.S. policy" which continues "to agonize a people who outnumber the Israelis by 40-1 and who control the oil resources which the U.S. will need over the next decade." Arab public opinion is reported as believing that "blind support for Israel" is making enemies even of Arabs who have never wanted to be anything other than friends with America; that there is a growing anti-American feeling coming to the surface in Arab countries where Americans have been generally popular in the past and that U.S. support of Israel is unnecessary in order to prevent Soviet domination of the Middle East.

Sheik Ahmed Zaki Yamani, Saudi Arabian Minister of Oil and Minerals, in an April interview with American newsmen declared that his country would find it difficult to supply oil to the United States if America did not use its goodwill to bring about a political settlement in the Middle East satisfactory to the Arabs.

May and June brought forth other threats by Arab personalities, all of which were widely reported in the American press. The Washington Post of May 1st, in a story datelined out of Beirut, quoted a headline

guerrilla terrorist Salah Khalaf as demanding that the Arab oil producing states coordinate their oil policy with the guerrilla campaign against Israel, including nationalization of American oil interests in the Middle East. Salah challenged Libyan strongman Qaddafi to nationalize American oil interests in Libya.

Whether in response to Khalaf or not, Qaddafi in a May 13th interview predicted that the time was soon at hand when oil would be used as a weapon of Arab self-defense, and asserted "The sacred right of a nation to nationalize the resources in its soil." *

On May 15th Iraq, Libya, Kuwait and Algeria in a symbolic, widely reported, protest against Israel's continued existence as a nation, shut down their oil pumps for twenty-four hours - the shut-down widely publicized as timed to coincide with Israel's 25th Anniversary celebration. On the same day Egyptian President Anwar Sadat called on the Arab nations to use their oil to apply pressure on the United States to abandon support to Israel.

A Washington Post news item of June 4th reported that Sadat was urging major American oil producers to use their resources to pressure the U.S. and other western powers into changing their Mid East policies.

On June 11th Libyan Premier Qaddafi proceeded to nationalize the Nelson Bunker Hunt Oil Company of Dallas which had operated a \$140 million installation in Libya. In announcing the nationalization Qaddafi made it clear that he hoped his action would be a prelude to a showdown with the U.S., declaring that "the time has come for the Arabs to face up to the United States; the time has come for the Arabs to seriously and dangerously threaten American interests," because, he said, "the Americans support our Israeli enemy." (In early July Sadat continued his campaign when, visiting Tripoli to discuss the contemplated union between Egypt and Libya, he proclaimed the nationalization of the Nelson Bunker Hunt Oil Company the "beginning of a battle against American interests in the whole Arab region" and declared "America must fully realize that it cannot protect its interests if it continues defying the Arab nation and supporting Israel without limitation.")

In a July 4th interview with Washington Post correspondent Jim Hoagland, Saudi Arabia's King Faisal uttered his first public warning that the traditionally strong American-Saudi Arabian ties depended upon the United States evolving a more "evenhanded and just policy"

*The Washington Post of 7/23/73 reported that Al Fatah chief, Yasser Arafat, has now accepted the view of the most moderate Arab leaders that the most effective way to use oil as a weapon in its conflict with Israel is to freeze petroleum production at present levels rather than to threaten an oil boycott.

in the Middle East and warned that Saudi Arabia would find it difficult to continue its close cooperation if American support to Israel remains at its present level. Attempting to appeal to American public opinion, Faisal declared that the U.S. gains nothing from its support of Israel which, he declared, "was only a burden."

The Washington Post reported on July 11th that Saudi Arabia, once the west's main hope for solving the energy crisis, was now but one more unpredictable factor in the volatile world of oil and politics. The Post noted that American oil company officials were fearful that the change in Saudi Arabian policy might prevent them from operating their new facilities in that country on which they had been spending \$500 million a year. The Post concluded that Faisal's July 4th remarks "are certain to have much more impact on American officials who are counting on sharply increased Saudi oil exports to ease the mounting energy crisis."

Most recently Iraqi leader Saddam Hussein joined the chorus when in a July 13th interview in Baghdad declared that the security of America's oil supplies would be better served by developing friendly relations with Arab producers rather than by arming Israel and Iran. To give added meaning to his observation, Hussein held out the olive branch to the United States with which it has strained relations since the 1967 War, by declaring that Iraq would welcome better relations with the United States and that it has no desire to deprive the western industrial cities of Iraq's oil resources.

At least one potentate of an Arab oil producing company has joined the fray on American soil. Salem S. Al-Sabah, Kuwait Ambassador to the United States, has been speaking in various American cities, fully reported in the local press, stressing the theme that the Arab states have an abundance of oil while America and the west have a fuel shortage; that this problem could be solved by better American understanding of the Arab position. The Ambassador was quoted as saying that "the United States wants oil without politics but that this is impossible," and that "the people of Kuwait are demanding that we use our oil to change U.S. relations with Israel." The Ambassador has not been averse to injecting an anti-Semitic theme into his analysis. Speaking in Dallas on April 28, 1973 he alleged that "the Zionists control a large part of the news media in this country" which has made it difficult for some of his people to see the proper U.S. officials -- "because we are Arabs." And cognizant of Texans' stake in oil, he was not above a not too subtle threat. "The continued support of Israel," he said, "could push the Arab oil states into nationalization of U.S. oil companies."

* * * * *

The impact on American public opinion of the gas shortage, with a nexus of dire forebodings of an impending energy crisis and Arab threats designed to exploit this situation, is as yet unclear. To date the most

sympathetic advocacy of the Arab position was a nationally syndicated column by Jenkins Lloyd Jones, editor and publisher of the Tulsa Tribune. Jones' column, which appeared in his paper on Saturday, May 12th, went so far as to speculate rhetorically that "U.S. support of Israel may be the No. 1 disaster in the history of our foreign policy." In support of his conclusion, he declared: "It cost us the friendship of the Arab world at the first moment we began to need it. We need it because the Arabs sit upon the world's greatest reservoirs of oil." Calling America's recognition and support of Israel a Greek tragedy, Jones decried a foreign policy that has "infuriated the once friendly sheikdoms and that could deliver into the hands of Russia's shiny new navy the power to starve the free world of fuel." Jenkins concluded "As far as the long-range welfare of America is concerned, the 'ingathering of the exiles' to the new Zion may prove to have been the worst idea of modern times."

William Griffith a "veteran observer of foreign affairs," writing on the "Crisis in Middle East Oil" in the July 1973 issue of Reader's Digest warned that "by favoring Israel we run the risk of a fourth war between Egypt and the Israelis, in which event all Arab oil producing nations would retaliate by shutting off or cutting down our oil supplies, by sabotaging pipelines and oil wells and by nationalizing American oil concessions that operate on Arab soil." He predicted that the United States in the immediate future would become "perilously dependent on Arab oil," at a time when "an ugly mood of anti-Americanism...pervades the Arab world" some of which, he believes, is "justifiable." How to salvage American interests? Griffith advised that we must take the initiative "to diffuse the problem that so poisons our dealings with the Arabs - their dispute with Israel." We must, he declared, "bring credible pressures to bear on them."

In a more moderate tone, former Commerce Secretary Peter G. Peterson, in a July interview predicted that energy will be such an "overwhelming and complicated issue for the United States over the next decade that the nation must not risk going it alone." Peterson asked for special efforts "to understand the Arab view," and observed that "American policy too often sounds like an echo of Israeli policy."

An April 16th Christian Science Monitor editorial, stressing the increased American dependency on Arab oil, warned that "if for political reasons the Arab states impose a boycott and withhold their oil from the U.S. market...the results could be grave indeed," and urged that the United States adopt a "convincingly evenhanded stance in the Middle East." "If we fail to do so," said the editorial, "the danger to American oil interests will grow."

Time magazine of April 2nd, in a five-page story "The Arab World: Oil, Power and Violence," concluded that "the age of Arab wealth and power has arrived" and that the enormous wealth of the oil producing companies has endowed them with "a power they have not known since the time of the Crusades - a power that could be used for peaceful development or for violence and revenge." Despite divisions in the Arab world,

concluded Time, "all Arab regimes seem to share the same sense of anger and frustration about their common enemy, Israel," and that "with all of their newfound wealth they will seek to evolve an oil policy designed to punish the friends of Israel and to benefit the friends of the Arabs," and that the "revolution in oil" may "increase the volatility of the historically unstable region."

Almost immediately after release of the administration's energy policy statement sent to the Congress on April 18th by President Nixon, a statement which, incidentally, made no reference to any American strategic interest in the Middle East, the April 20th New York Times in a lengthy analysis, "Oil Shifting U.S. Strategic Interests to Middle East," quoted unidentified military planners as anticipating that U.S. strategic interest and global strategy would pivot on the Persian Gulf late in this decade as the result of competition for the area's oil. The military men were reported to be concerned that one-half the world's proven oil reserves are in Middle Eastern countries either hostile to or highly critical of the United States because of its support of Israel, and that the Soviet Union is seeking to increase its influence in oil producing states, utilizing as leverage U.S. support of Israel. Convinced that the United States faces an eight to ten year period of critical dependence on Middle East oil, the Times reported that military planners, oil company officials and western diplomats regard our prime political objective is "to keep Arabs sweet."

Former Ambassador to the UN Charles W. Post, writing on the energy crisis in the April 26, 1973 issue of the Christian Science Monitor, prophesized that pending a long-range solution to the energy crisis a necessary U.S. reliance on oil imports from the Middle East was jeopardized by U.S. Middle East policy. Post declared "as long as the Arab-Israel conflict remains unresolved and substantial Arab territory under Israeli occupation, the Arabs will be subject to strong temptation to use the leverage of their indispensable oil supplies to induce western states, particularly the U.S., to cease or reduce support of Israel."

Nationally syndicated columnists Evans and Novak, writing in the May 11th Washington Post, predicted a new military adventure by Israel - "the exuberant young Sparta of the Mid East" - against Libya. If such an eventuality came to pass, warned the columnists, it would "widen further the already large gap between the United States and a few Arab countries still regarded as U.S. friends," i.e. Saudi Arabia, Kuwait and Lebanon; that Kuwait and Saudi Arabia are becoming strategically important, if not vital, to Washington because they have vast oil reserves, while U.S. is running out.

The Washington Sunday Post of July 3rd in a feature article on the energy crisis, observed that the oil purchasing nations have refused to join a common effort to bargain with the United States because of U.S. backing for Israel. The authors, staff writers David Ottaway and Ronald Koven, reported that in view of the current situation

"U.S. officials in private conversations now place a new stress on the need for understanding of the Arab nations' needs and psychology," and that while no clear U.S. policy line has been enunciated towards the oil producers, nevertheless there has been "a definite change in tone, particularly towards Saudi Arabia." They buttress this assumption by noting that "over strenuous Israeli objections the United States has announced its willingness to sell the Saudis the most advanced war planes available to Israel." The same writers in a subsequent article on Sunday, June 17th, devoted considerable space to pointing out that Saudi Arabia was the only country capable of meeting the world's growing oil needs and that there were no viable U.S. alternatives to Arab oil.

It can be anticipated that the effort to influence Americans that their interests are better served by a government policy of less support for Israel and increased friendship for Arabs will increase in the ensuing months. Evidence supportive of that conclusion may be found in a June 17th Washington Post news item that it had learned exclusively that on May 3rd King Faisal delivered "a stern lecture" to the president of the Arabian-American Oil Company, the U.S. consortium which produces practically all of Saudi Arabian oil. According to the article, Faisal is pressuring the U.S. oil industry so that it would in turn seek to influence the U.S. government. Faisal was reported to have told Aramco President Frank Jungers that he is no longer able to stand alone as a friend of America in the Middle East, and warned it was up to those Americans and American enterprises who were friends of the Arabs and who had interests in the area to urgently do something to change the posture of the U.S. government.

American oil men, said the report, are now doing precisely what Faisal asked, and, among other things, are offering to testify before congressional committees, buttonholing State Department policy makers and even taking their case to the White House.

While the causal connection cannot be established, what may be the initial salvo in a major oil company offensive to lessen U.S. support for Israel in response to Faisal proddings was launched on June 21, 1973. A Mobil Oil advertisement appeared on the Op-Ed page of the New York Times and in scores of other papers throughout the U.S., captioned "The U.S. Stake in Middle East Peace: I." (implying more ads on a similar theme are to follow). It stressed the urgent need for a settlement in the Middle East in order to preserve our oil supply in that area, alleging that the Middle East "is the only region in the world with large enough oil reserves to meet the inevitable increase in U.S. consumption.... Like it or not," said Mobil, "the U.S. is dependent on the Middle East even just to maintain our present living standards in the years immediately ahead." Stressing the importance of Saudi Arabia as a supplier of U.S. oil, the ad declared: "if our country's relations with the Arab world continued to deteriorate Saudi Arabia may conclude it is not in its interests to look favorably on U.S. requests for increased petroleum supplies.... In the last analysis political considera-

tions may become the critical element in Saudi Arabia's decisions because we will need the oil more than Saudi Arabia will need the money"; and that "they look to us for policies that recognize their legitimate interests and aspirations."

* * * * *

Comment by the respectable fringes of the American political scene to date has been surprising. Marxists, all anti-Israel, tend to see the energy crisis as a ploy by the big oil companies to justify price increases and greater profit margins. To date, there has been no disposition by the left to blame American-Israel relations for current shortages.

The Communist Party's Daily World in an April 18th editorial declared, contrary to fact, that "U.S. oil companies have initiated a campaign to mobilize public support against the Arab petroleum producing companies because the Arab nations have western civilization by the throat," and that in reality "the oil companies are seeking to thwart Arab nationalization of their oil resources." On April 25th the Daily World pooh-poohed the reality of an energy crisis but nevertheless reported that the "sharply increased Arab criticism of U.S. support for Israeli aggression" was forcing a change in U.S. policy in the Middle East and predicted that the change in policy "will significantly affect the Arab-Israeli relationship."

The Atlanta, Ga. Great Speckled Bird, one of the last of the "underground press," interpreted the energy crisis as an attempt by oil corporations "to consolidate their monopoly control to drive out domestic competition from independents and to blackmail the working people of America into underwriting their profits."

The Socialist Labor Party, apparently more anti-big oil than anti-Israel, on May 26th charged in its official publication Weekly People that "the ruling class element" are "urging a policy that will minimize, if not completely terminate, present support of and assistance to Israel" in favor of a policy aimed at establishing good relations with the oil producing states and are doing so not out of any moral or ideological consideration, but rather in furtherance of the "material and economic interests of the American plutocracy."

The right in the main has even been more restrained in its comment. Generally speaking they see the energy crisis as real. Rather than using it as a springboard to launch attacks on our Mid East policy it is being used as a rod to flay the ecologists. The American Independent, taking a somewhat different tack, endorsed a viewpoint expressed in an Indianapolis News editorial, which advocated full speed ahead for the construction of a trans-Alaskan pipeline as an economic necessity, since "Alaskan oil would free the United States from the Arabs' attempted blackmail and go further towards easing the current

economic crisis."

The influential National Review has lowkeyed the energy crisis, although it did use it as an opportunity to attack Senator Fulbright, whom they categorized as being "long grumpy over what he feels is our enthusiastic support of Israel," for his anti-Israel position. In its June 8th edition it observed, without other comment, that the energy crisis has moved the Middle East conflict "into a new phase in which the Arab countries will attack Israel, not directly but through the West."

The National Security Council, the embodiment of the "military industrial complex," is an exception to the general right-wing position on the energy crisis. Its Washington Report for June 1973, observing that the "mounting energy crisis" has suddenly become of "vital concern to our national well being and security," endorsed an assessment by Parker Hart, a former U.S. Ambassador to Saudi Arabia and Kuwait. Hart declared that the U.S. would of necessity have to depend on Middle East oil "more and more heavily"; that "U.S. Middle East policy has been very one-sided...wholly pro-Israeli and giving very little consideration to the Arab side of the picture," and, Hart added, the U.S. could "help diffuse the Middle East situation by adopting a more evenhanded policy."

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Hardcore American anti-Semites have not developed any consistent or coordinated approach to the energy crisis. Predictably they tend to see it as all part of the ever present diabolical "Jewish conspiracy." Some, however, have bluntly blamed our pro-Israel policy, and echoed Sen. Fulbright by invoking the ugly specter of a Middle East war.

The American Nazi movement, embodied in the National Socialist White Peoples Party, is critical of our "insane policy" of alienating the Arab world, which it declared has put in jeopardy our national defense and our domestic economy. Stressing our absolute reliance on the Arab Middle East, the Party publication White Power, March 1973, declared that "by pursuing an anti-Arab, pro-Israel policy we are heading for disaster," which can be averted "if our politicians could somehow summon up the courage to abandon expediency for a change and forget "Jewish votes and Jewish money long enough to think about American interests..." In its July issue, the Party paper again held "Zionist Jews responsible" for the gasoline shortage.

The neo-Fascist National Youth Alliance in the April/May edition of Attack, views the Middle East oil crisis as another attempt by "Zionists" to involve the United States in another war. Because of the energy crisis, declares Attack, our "dependence upon oil imports from Arab nations will grow...and it will be only natural for Arab leaders to use their oil as a lever to pry concessions from the United States on the Palestine issue." Urging that the U.S. curtail its support "of the criminal regime in Tel Aviv" in order to insure an uninterrupted supply of essential oil from the Middle East, it sees the "Zionist planners" as "planting the seeds of war" by "burning the mid-

night oil to cook up new schemes for provoking Arab guerrilla attacks against U.S. citizens and property abroad" and by planting "the notion that a preemptive war by the United States in the Middle East now can secure U.S. oil needs there in the future."

Longtime anti-Semite Gerald L. K. Smith is another who conjured up the threat of war with, however, a variation. Said Smith: "If the Jews are allowed to invade the Persian Gulf and seize two-thirds of the world's supply, then the American people will be enslaved to the Jew economy from now on."

The Washington Observer Newsletter, supported by Liberty Lobby, finds "ominous signs of impending political and military moves against the Arab states, with the U.S. and the USSR ganging up with Israel to seize the oil of the Mideast."

Muhammad Speaks, official publication of the Nation of Islam, speculates that the growing dependence on Middle East oil might induce America's "military potent surrogates" such as Israel and Iran to attack the oil producing Arab states and attempt to take over the Arab oil fields by force." It sees the flow of U.S. military hardware to Israel as the design to insure Israel's ability "to play this dirty role."

* * * * *

As of this writing there is no evidence to suggest that our government, publicly at least, has endorsed the notion that the energy crisis can, or should, be solved by lessening our commitment to Israel. The long awaited Presidential message to Congress on the energy shortage delivered on April 18th made no reference whatsoever to the Mid East or hinted at a change in our Mid East policy. (Among the chief recommendations were: (a) termination of the 14-year-old oil import quota system, (b) partial decontrol of national gas prices, (c) intensified offshore exploration of oil and gas reserves, (d) constructing of deep water ports capable of handling giant oil tankers, (e) \$130 million increase in funds for research and development of future energy sources.)

Additionally, informed newspaper sources report that "U.S. has quietly but firmly rebuffed the threat by Saudi Arabia not to expand oil production...unless Washington waters down its support of Israel." There is some reason to believe, however, that the announced U.S. intent to sell airplanes and military hardware to Kuwait and Saudi Arabia is based in part on a desire to give some mollifying morsel to these oil producing countries so as to assuage a disappointment over their failure to change our Middle East policy.

As of mid-July the extensive publicity afforded the energy crisis over the past three months appears to have abated, induced perhaps be-

cause the anticipated widespread summer gasoline shortage, with the exception of Colorado, seems less acute than originally feared. Should a severe weather or other factors cause a widespread shortage of heating oil this winter the picture might well change.

Undoubtedly the energy crisis inspired Arab campaign to win friends and influence American public opinion has had some impact. However, the evidence suggests that if not a failure, it has been less effective to date than one might have assumed. With the exception of hardcore anti-Semites, ardent Arabists and oil company executives, there have been no significant public clamor demanding a lessening of U.S. support for Israel. Despite an enormous amount of publicity devoted to the energy crisis and fuel shortage, and constant references to U.S. dependency on the Middle East oil producing countries as our major source of supply, Americans seems predisposed at this time to find reasons other than our Middle East policy for the energy crisis. A reading of important newspapers and national news weeklies suggests that the following beliefs as to the cause of the energy crisis are widespread:

(1) The Arab oil producing countries are withholding or refusing to increase oil production because of greed. It has been widely speculated that the Arabs, with vast dollar resources in the bank have embarked on a policy "to keep the oil in the ground" for the purpose of not only slowing down the process of depletion, but more significantly to wait for the anticipated rise in oil prices.

(2) The Arab countries are trying to blackmail the United States, a notion given circulation by newspaper editorials and by House Minority Leader Gerald Ford, who in a May 20th speech warned that the United States must reduce its dependency on the Arab states for oil or risk the possibility of Arab economic blackmail attempts against American foreign policy in the Middle East.

James Atkinson, head of the State Department's Office of Fuels and Energy, has declared "Threats to use oil as a political weapon made by the government of Libya and others are of considerable assistance to getting popular acceptance of the proposed belt-tightening."

(3) The unreliability of Arab governments. Congressman Morris K. Udall, writing in the New Republic of June 16, 1973 and in a letter to his constituents, observed that reliance on Arab oil would create an "intolerably unfavorable trade balance," and warned that the political considerations for depending heavily on Arab oil were "frightening." Said Udall: "Aside from our commitment to Israel, how can we depend on a source of energy from countries whose policies can be reversed on a day's notice by a coup d'etat or by a Sheik who turns unfriendly."

(4) The fuel oil shortage is artificial and can be attributed to "monopoly practices" by oil companies. Credence for such a belief stems from well publicized actions such as that of Florida Attorney

General Robert Sheven who filed suit on July 9th against the fourteen largest petroleum companies, accusing them of manipulating the current gasoline shortage. On July 26th, Connecticut Attorney General Robert Willian brought a federal lawsuit against twenty major oil companies, charging a conspiracy at all levels of production and distribution to impose artificially high prices, to restrain competition and normal trade.

On July 17th the Federal Trade Commission accused the nation's eight largest oil companies of conspiring over a period of the last twenty-three years to monopolize the refining of petroleum products resulting in shortage of gasoline and other products in some areas of the country, to force substantially higher prices on American consumers, to force some independent marketers of petroleum products to close down, and to give excess profits to the eight conspiring companies.

The Washington Post in a penetrating series of articles early in July on the oil crisis, reported "with gas stations all over the map refusing to fill up the tanks of motorists there is a populist wave of resentment against big oil."

(5) The belief that the fuel crisis stems from the ecology movement. This notion, propounded largely by the conservative and ultra-conservative press, holds that while it is true that fossil fuels on which the United States is now dependent for most of its energy are finite, there is nevertheless enough for several hundred years; that we have the capacity to develop new sources, principally nuclear power, to supply our needs indefinitely but that the environmentalists have been steadily closing off our access to the old supply and simultaneously preventing development of the new; that the ecologists are responsible for the failure to develop sources of offshore Alaskan oil, and depleting current supplies more rapidly than is necessary by inducing passage of the clean air act of 1970, which forced American auto manufacturers to produce a "breed of gas consuming monsters precisely at the time that oil companies are feeling the pinch of shortage."

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The Danger of Doing Nothing

By Henry M. Jackson

WASHINGTON — With the deepening dependence of the United States on imported petroleum has come an increasing awareness of the risks to our national security and the stability of our national economy. The closing of gas stations around the country, the prospect of severe summer shortages, and the readying of plans to ration gasoline on a nationwide basis have brought home to the American people the sense of a problem without an easy solution.

Therefore, I suppose it was inevitable that we would soon hear the argument that the threat to the continued delivery of Middle Eastern oil arises from American support of Israel. Such an analysis, quite simple-mindedly in my view, attributes the chronic instability in the Middle East to the Arab-Israeli dispute.

The real situation is quite different. Middle Eastern energy sources would be insecure even if Israel didn't exist. For it is inter-Arab rivalry, and the opportunistic exploitation of it by the Soviet Union, which threatens to disrupt the normal flow of oil. After all, it is not Israel which threatens Kuwait and its substantial oil reserves; rather, recent Iraqi military activity may have as its objective control of that oil-rich sheikdom. It is not Israel which threatens Saudi Arabia — but Yemen to the south, Soviet-supported Iraq and Syria to the north, and Egypt to the west.

Wherever stability exists in the Middle East today, it is, in my view, largely the result of the strength and Western orientation of Israel on the Mediterranean and Iran on the Persian Gulf. These two countries, reliable friends of the United States, together with Saudi Arabia, have helped inhibit those radical Arab elements which pose a grave threat indeed to petroleum sources in the Persian Gulf. It is ironic that Saudi Arabia and the sheikdoms (which, along with Iran, will provide most of our imported oil in the years ahead) depend for regional stability on Israel's capacity to encourage an environment where moderate regimes in Lebanon and Jordan can survive and where Syria can be contained. Iran plays a similar and even more direct role in the Gulf itself.

Last November I traveled to Israel, Iran and Saudi Arabia. I was impressed with the remarkable extent to which their three separate fates are associated — how they constitute a paradoxical bloc of nations whose security, so important to the United States, unites them in a set of common interests. Between Israel and Iran, for example, there exists a quiet tie that reflects a common concern about the forces of instability in the region.

The relationship between Israel and Saudi Arabia is more complex. While neither Israelis nor Saudis are in a position to acknowledge common interests, they do share a common perspective on many problems. For instance, the pipeline which carries great quantities of Saudi oil to Western users passes through the Israeli-held Golan Heights and, over that portion of its length, it has functioned without major disruption. Moreover, the Saudis, a tempting target for any number of forces, would not last long without a stable Jordan, a more or less calm Egypt and a contained Syria and Iraq.



“Alternative energy sources will restrain the cost of Middle East oil.”

The Saudis understand this very well. Important as the Middle East may be to the future of the international energy economy, it is not the whole story. Even if we had assurances that the flow of oil from the Middle East would continue without interruption, we would still have to undertake the development of new sources of energy on an urgent basis. Indeed, I am persuaded that we can no longer temporize and continue to sit idly by as our dependence upon imported oil — whatever its source — continues to grow.

The United States, with 6 per cent of the world's population, presently uses over one-third of the world's energy. Other developed nations also consume disproportionate amounts of energy on a per capita basis. The developing countries will require more energy as they industrialize, and they are certainly entitled to their share of this finite resource. But oil supplies are limited. We cannot downplay energy research and development while the world drains the depletable reserves of the Middle East.

Moreover, alternative energy sources will restrain the cost of Middle East oil. Without alternatives, crude oil prices will certainly rise and, in a short time, gasoline retail prices could reach a dollar per gallon. The dollar holdings of a few Arab states may reach proportions that could enable them to dominate international economic conditions. By failing to act now to develop alternative sources of energy we are prolonging the period during which the

supply and price of imported oil can be dictated by whoever might happen to control a handful of Persian Gulf nations.

This is why I have proposed a ten-year, \$20-billion program to translate several promising technological developments into commercially viable sources of energy. We have already waited far too long to increase our options. We must abandon myopic indecision and make a determined start on alleviating this increasingly critical situation.

Henry M. Jackson is Democratic U.S. Senator from Washington.

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OIL CONCERN ASKS ARABS BE BACKED

Standard of California, in Letter by Chairman, Says Cause Merits Support

By ROBERT A. WRIGHT
Special to The New York Times
SAN FRANCISCO, Aug. 2 —

The Standard Oil Company of California is appealing to its employes and stockholders to foster the "aspirations of the Arab people" and "their efforts toward peace in the Middle East."

In a letter mailed last week to 40,000 employes and 262,000 stockholders, Otto N. Miller, chairman, urged that the United States Government be encouraged to support the Arab nations because their vast reserves of oil are vital to "the future welfare of the Western world."

The straightforwardness of the letter represented a new course. Some major oil companies with interests in the Middle East have advocated the Arab cause and have printed much in company publications that is sympathetic to the Arabs. But the California Standard letter is a strongly worded, firm public stand.

Israel Is Not Mentioned

The letter does not mention Israel.

Mr. Miller, in his letter, reviewed the increasing dependence of the United States on foreign sources of petroleum and noted that almost two-thirds of the world's known reserves are in the Arab-Persian Gulf area.

Mr. Miller said the United States companies must increase their domestic exploration efforts and work to develop new sources of energy. "However," he added, "even with our strongest efforts in these directions it is clear that we must look to increased imports of foreign oil in sizable quantities."

He noted that oil imports had increased threefold since 1960 to more than 35 per cent of domestic requirements and that they would need to rise to 45 or 50 per cent by the end of the nineteen-seventies.

The letter continued: "There is now a growing feeling in much of the Arab world that the United States has turned its back on the Arab people. Many are said to feel that Americans do not hold a proper regard in the national interest of the Arab states, their long history of important contributions to civilization, their efforts to achieve political stability and to develop sound and modern economic structures."

Key to Energy Resources

"All of this is occurring at a time when the Arab states—because of their vast reserves of crude oil—are becoming increasingly important to the future welfare of the Western world. The Arab states—and Iran—hold the key to the energy resources which fuel industrialized nations of Western Europe and Japan. They represent the only major source to which the United States can look for any substantial increase in its crude oil imports to meet our needs."

"We as Americans have had a long history of friendship and cooperation with the Arabs. It goes back more than 100 years, long before the first oil operations, and involves cultural relationships, which encompass

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education and religion as well as commercial trading.

"During this time much good will has been established which must be enhanced. There must be understanding on our part of the aspirations of the Arab people and more positive support of their efforts toward peace in the Middle East."

California Standard occasionally sends letters to stockholders on matters other than financial information. Such a letter was mailed in October, 1970, concerning a Federal Trade Commission assertion about the efficacy of a California Standard gasoline additive.

With assets last year of more than \$8-billion California Standard ranks as the 12th largest industrial company in the country. It is perhaps best known for its Chevron gasoline.

A marketer in 38 states and the District of Columbia, it is No. 1 in 12 Western and South-eastern states. Although slightly more than half of its output comes from Saudi Arabia, it considers itself a major producer in offshore Louisiana, California, Canada, Venezuela, Indonesia, Libya and Nigeria.

Worldwide production of the company reached 3.3 million barrels a day during the first six months of the year, with 1.7 million barrels daily coming from Saudi Arabia and 117,000 barrels daily from Libya. Iran, which is not an Arab country, accounted for about 308,000 barrels daily.

A leading tanker operator, California Standard today has 18 supertankers in operation, mostly in excess of 250,000 deadweight tons each. Thirteen more tankers are on order from Japan and are due for delivery into 1976. They range in tonnage up to 400,000 deadweight tons.

One tanker, named the Otto N. Miller, was launched about three months ago. California Standard has several tankers named for directors.

Mr. Miller, who was named board chairman and chief executive of the company at the end of 1966, will retire next year when he reaches the mandatory retirement age of 65.

The \$275,000-a-year executive, who has a Ph.D. in Chemical Engineering from the University of Michigan, joined the company in 1934, the same year he received his doctorate, starting in the research and development department of its El Segundo refinery, near Los An-

geles. His entire career has been with California Standard.

A patron of the arts and an avid hunter and fisherman, he also received a Distinguished Alumni Citation from the University of Michigan in 1953. He is also a former chairman of the American Petroleum Institute.

In Saudi Arabia, California Standard is a partner in the Arabian American Oil Company along with the Mobil Oil Corporation, Texaco, Inc., the Exxon Corporation, and the Saudi Arabian Government.

Until early this year, Mobil held 10 per cent of Aramco and the other companies each owned 30 per cent. The share owned by each company was cut 20 per cent this year to meet Saudi Arabian demands.

Last month, Mobil ran an ad in The New York Times in which it urged peace in the Middle East.

"If our country's relations with the Arab world . . . continue to deteriorate," it said, "Saudi Arabia may conclude it is not in its interest to look favorably on U.S. requests for increased petroleum supplies."

It added: "Nobody can afford another war in the Middle East. Nobody. Nobody."

A spokesman for Mobil said the ad was "another in a series in which the company was 'speaking out' on number of issues."

In Los Angeles, a spokesman for the Occidental Petroleum Corporation, which has a major stake in Libya, said his company not taken similar action.

Spokesmen for Exxon, Texaco and the Gulf Oil Corporation said their companies had not written to shareholders or employes advocating a settlement in the Middle East nor had they publicly stated their position in ads.

REVIEW and OUTLOOK

Eyes on the Figleaf

With the voluminous talk of the "energy crisis" and the eternal tension in the Middle East, a great deal of attention has been focused on the possibility that the U.S. may have to back away from its support of Israel because of its need for Arab oil. We often wonder whether the West isn't more obsessed with Israel than the Arabs are.

Some Arab nations have long made rhetoric about oil and Israel, of course, and the current concern arises because Saudi Arabia has started to join in. Lobbying for a more pro-Arab U.S. policy by Mobil and Standard Oil of California, two of the partners in Saudi Arabia's main oil consortium, apparently results from something King Faisal said to their executives. But we wonder just what the king said, and what he meant by it. Similar well-publicized remarks by his oil minister, Sheik Ahmed Zaki Yamani, seemed on close examination to peter out into remarkably vague and mild statements. We wonder whether the whole issue is being kept in perspective.

Take, for example, the "energy crisis," which in fact is America's adjustment to becoming a larger-scale importer of oil like other industrial nations. Saudi Arabia, which sits on some 28% of the world's proven oil reserves, is of course a key factor in meeting future world demand. And the United States will need some Middle Eastern oil to meet its increasing demands. But even 10 years from now about half of American needs will be met domestically, and nearly half of the rest from elsewhere in the Western Hemisphere. Some of the remaining 25% to 30% will come from non-Arab lands such as Iran. Up to now, for instance, our largest supplier from the Eastern Hemisphere has been Nigeria.

As far as the Arab world is concerned, a renewed war with Israel would indeed endanger the flow of Persian Gulf oil. But this possibility seems to have blinded American opinion to the even more serious Middle East trouble spots that border directly on the oil fields. As an immediate source of an oil crisis, Arab-Israeli conflict ranks somewhere below Kurdish nationalism, the Iraqi-Kuwait confrontation over the islands of Babiyah and Warba, the Iraqi-Iranian dispute over the Shatt al Arab waterway, the Saudi tension with Abu Dhabi over the Buraimi Oasis, and the ethnic rebellion in the Dhofar province of Oman.

Arab politics might not even be as monolithic on Israel as many in the West seem to think. In spite of King Faisal's fear of the Jews, the Saudis have not forgotten that the 1967 war forced Egypt to withdraw its expedi-

tionary force from the Yemen, from which it occasionally dropped gas bombs on Saudi border villages.

Rhetoric about Israel in fact often seems to be a "figleaf," as one Middle East bureaucrat puts it, for more pressing economic objectives. Saudi reluctance to increase oil production has its real origin in problems of absorbing oil revenues in a near-feudal economy. Yet the London-based International Institute for Strategic Studies says the answer favored by the Saudis and other Arabs is "a dream of transforming themselves from mere reservoirs into industrialized states, exploiting a combination of surplus capital and cheap energy in order to process oil and other goods for the world market." This dream needs cooperation from America, both as an outlet for investment money and for help creating a local petrochemical industry; the IISS remarks that industrialization depends on "assured export markets for oil products and other manufactures."

While Saudi Arabia may suffer pressure from more militant Arab lands, the militants themselves have their own economic interests. We hear reports that Iraq's oil boycott plan, for instance, would give Iraq an increased share of the market. Libya has nationalized American properties ostensibly over Israel, but it has nationalized British properties ostensibly over the Persian Gulf islands of Abu Musa, Greater Tunb and Lesser Tunb. It recently put production limits on Standard Oil of California despite California Standard's pro-Arab lobbying, suggesting that the real targets of the campaign are the oil companies that have not yet agreed to Libya's economic demands.

Egypt's President Anwar Sadat saluted one of Libya's nationalizations in a militant speech about beginning the battle against American interests in the Arab world. Two weeks before, he was inviting Exxon to explore for oil under a 30-year contract. Two weeks later, he was soliciting American bids for construction of a \$300 million Suez-Mediterranean pipeline.

The Arabs no doubt are tough customers to deal with, as are the Norwegians, the Ecuadorians, the Alaskans and almost anybody else who sits on oil. There may be serious troubles ahead if the Arabs decide to forego their development plans and sit on the oil instead. But the idea that to crush Israel they would ignore their economic interests, or would turn charitable if Israel were sacrificed, strikes us as a view tinged with the romanticism which has so often fogged the Western view of the Middle East.