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THE USSR AND THE ARAB OIL WEAPON

The oil weapon is a purely Arab strategy. Although in the past the Soviet press has encouraged such action, all available evidence indicates that the USSR had no hand in the planning and implementation of the Arab oil supply cutbacks. Saudi Arabia and Kuwait, both states with conservative, anti-Communist governments, initiated and are leading the Arab action. These two states - in consultation with the other Arab producers plus Egypt and Syria - will decide when to abandon the embargoes and restore production.

Moscow appears to be of two minds about the Arab oil weapon.

- It welcomes the split in Western unity caused by the oil cutbacks.
- It applauds the reduction of US influence in the Middle East as reflected in the nationalization of US oil interests in Iraq and the possibility of nationalization in other countries.
- It profits from higher prices for its own oil exports.

On the other hand, the Arabs' action has created some problems for the USSR.

- Saudi Arabia has become a leader in the Arab World at the expense of the radical, pro-Soviet states. If the Arabs succeed in achieving some of their goals regarding Israel, more of the credit will go to Saudi oil than to Soviet arms.
- Communist nations are not on the Arabs' favored list, and some cutbacks in Arab oil deliveries to Eastern Europe have resulted. The USSR feels obligated to maintain East European supplies by diverting some of its exports from Western Europe.

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- The Soviets fear that they may be partly blamed by West Europeans for their oil shortages.
- Moscow is concerned that its support of Arab actions could adversely affect US-Soviet detente.

The uncertainty with which the Soviets view the Arab oil weapon is reflected in their actions and statements. To maintain credibility in the Arab World, they have supported the Arab action in the press. Although they have restricted oil shipments to Western Europe, they stress that these restrictions are necessary to supply Eastern Europe and should not be considered as support for the Arabs. Moscow obviously is worried about maintaining its hard-won reputation as a reliable trading partner in a difficult political situation. (~~SECRET~~)

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