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on the subject in Moscow, Tokyo, and Peking.

The Japanese, says Pillsbury, gain from the Sino-Soviet conflict, and will therefore "strongly resist" pressure to take sides. Japan's survival depends on maintaining working relations with all the major trading nations and military powers. (Japan has no significant military capability of its own.) Moreover, the matter of China policy remains "the most divisive issue in Japanese politics."

Although some analysts see U.S. military aid to Peking as triggering a Soviet attack on China, Pillsbury argues that Moscow, despite its paranoia and uncertainty, is constrained by several factors. The Soviets believe that ideological conflicts remain deep enough to preclude any active Chinese-American military cooperation against the U.S.S.R. The Kremlin can also, if necessary, apply considerable pressure against Western nations—Britain, France, Germany—to cut off China's other sources of military equipment. Finally, primitively equipped Chinese forces would have to be upgraded by a factor of 10 even to approach parity with the Soviet Union.

As for the Chinese, conflicting allegorical tales in several influential journals suggest that the U.S. aid issue is a sensitive one in Peking. But in any U.S. deal, says Pillsbury, the Chinese will want to avoid both the appearance of military weakness and the presence of large numbers of foreign technicians. Protracted negotiations will also reflect the mildly schizophrenic nature of Chinese politics. However, Pillsbury thinks the Chinese have taken a "cautious step" toward closer military relations with the West, apparently believing that only "joint pressure applied by Western Europe, Japan, China, and the United States" can contain Soviet expansion.

The Oil Crisis of the 1980s

"Oil, the Super-Powers, and the Middle East" by Ian Smart, in *International Affairs* (Jan. 1977), Oxford University Press, Press Road, Neasden, London NW10 0DD; "U.S.—Saudi Relations and the Oil Crises of the 1980s" by Dankwart A. Rustow, in *Foreign Affairs* (Apr. 1977), 428 East Preston Ct., Baltimore, Md. 21202.

The industrialized world was able to absorb the first demonstration of the "oil weapon"—the 1973 Arab embargo—without severe political or economic damage. But a more conclusive demonstration may yet come. According to some current projections, by the early 1980s OPEC exporters will control critical reserves, which, if withheld, could provoke a global crisis. The results for the West would be economic hardship and severe restraints on foreign policy.

The 1973 embargo and price increases threatened but did not upset world stability, argues Smart, deputy director of Chatham House. Reductions in Mideast exports to the United States, from 1.2

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SUPPLY, DEMAND, AND THE OIL SQUEEZE—1985

The major variable in OPEC exports is Saudi production. By 1985, it could range from a low of 6.3 million barrels per day (the 1973 embargo level, capable of supporting Saudi domestic programs) to a maximum of 15 if capacity is substantially increased. The estimates below are in millions of barrels per day.

| Assumption | SAUDI ARABIA | | TOTAL OPEC | |
|----------------|--------------|---------|------------|---------|
| | Production | Exports | Production | Exports |
| Low production | 6.3 | 5.5 | 34.0 | 29.9 |
| Medium-low | 8.5 | 7.7 | 36.2 | 32.1 |
| High | 15.0 | 14.1 | 42.7 | 38.6 |

The other side of the equation is the oil import needs of the industrialized nations, as estimated below by OECD (Organization for Economic Cooperation and Development). The United States and other OECD countries would be in a safe position only if they adopted an "accelerated policy" of conservation and development of new energy sources. Estimates are in millions of barrels per day.

| Assumption | UNITED STATES | TOTAL OECD |
|--------------------|---------------|------------|
| | Imports | Imports |
| High growth | 11.9 | 38.8 |
| Medium growth | 9.7 | 35.0 |
| Accelerated policy | 4.3 | 24.3 |

The United States will find itself in a precarious position twice: once in 1978-79, before oil starts flowing fully from Alaska; again in the mid-1980s, when domestic demand surpasses Alaskan production.

Adapted from Foreign Affairs.

mb/d (million barrels per day) in the fall of 1973 to a trickle by early 1974, amounted to only 7 percent of U.S. consumption. OPEC price increases, from \$1.73 per barrel for "marker" crude in January 1973 to \$10.46 two years later, were more than offset in the United States, Germany, and Japan by expanded trade with the Middle East. The most significant political result, concludes Smart, was the transfer of power and influence in Mideast affairs from the Arab states bordering Israel to the oil-exporting nations of the Persian Gulf and North Africa.

The key to any future crisis will be Saudi Arabia, largest of the OPEC producers. Because of their vast oil reserves, notes Rustow, a CUNY political scientist, the Saudis effectively control the rate of exploration and production as well as the price of OPEC oil. They thus have the leverage to initiate another, more devastating embargo

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or price increase. Price hikes could run as high as 50 percent. One result: staggering payment burdens on consumer nations. Another: political leverage, direct or indirect, on the United States and Israel.

The likelihood of such a confrontation will be determined by the energy policies of the world's largest consumer, importer, and waster of energy—the United States. Americans will depend on OPEC for 60 to 70 percent of its imports by the mid-1980s. (OPEC imports rose from 1.4 mb/d in 1973 to 2.6 mb/d in the first half of 1976.) Only an “accelerated policy” (see table) of conservation and development of domestic sources by the United States, says Rustow, can reduce total import needs of consuming nations to a level safely short of critical dependence.

The Lessons of Confrontation

“The Arab-Israeli Dispute—Great Power Behaviour” by Lawrence L. Whetten, in *Adelphi Papers* (No. 128), International Institute for Strategic Studies, 18 Adam St., London WC2N 6AL.

Since the tense 1962 Cuban missile crisis, potentially serious Soviet-American confrontations have occurred only in the Mideast, where American-supported Israelis and Soviet-supported Arabs went to war in 1967 and 1973. The two great powers were repeatedly surprised or manipulated by their respective Mideast allies; since the 1973 Yom Kippur war, Moscow and Washington have become more sophisticated about their real interests in the area.

So writes Whetten, a University of Southern California specialist in Soviet affairs, in a 42-page analysis of shifting post-1956 relationships involving the Big Two, Israel, Egypt, Syria, and Jordan. The breakthrough came with Secretary of State Henry Kissinger's 1973-74 overtures to Egypt and the Arabs, resulting in a “triangular” Mideast relationship, long prevented by “Israeli intransigence.” Moreover, Washington seems to have learned that “cosponsorship” in Mideast peacekeeping efforts is a more reliable method of insuring Soviet restraint than “ostracism.”

The Soviets did not seem “excessively embittered” by their declining influence in the Arab world after 1973; they can “afford to wait” for favorable developments, while guaranteeing their Mideast clients' military parity and negotiating equality with Israel. Moscow also seems confident of assuring herself a great-power role in shaping a Mideast settlement.

Egypt under Anwar el-Sadat has been “the quickest to apply the lessons of previous experience”—using both war and diplomacy to push for a favorable settlement. After the 1973 war, Sadat sponsored the new U.S. role (“the Soviet Union could deliver arms but only the Americans could deliver Israel”), shucked off Soviet influence, and negotiated a Sinai disengagement pact with the Israelis. Sadat's ultimate goal—the restoration of Egypt's 1967 borders—has yet to be