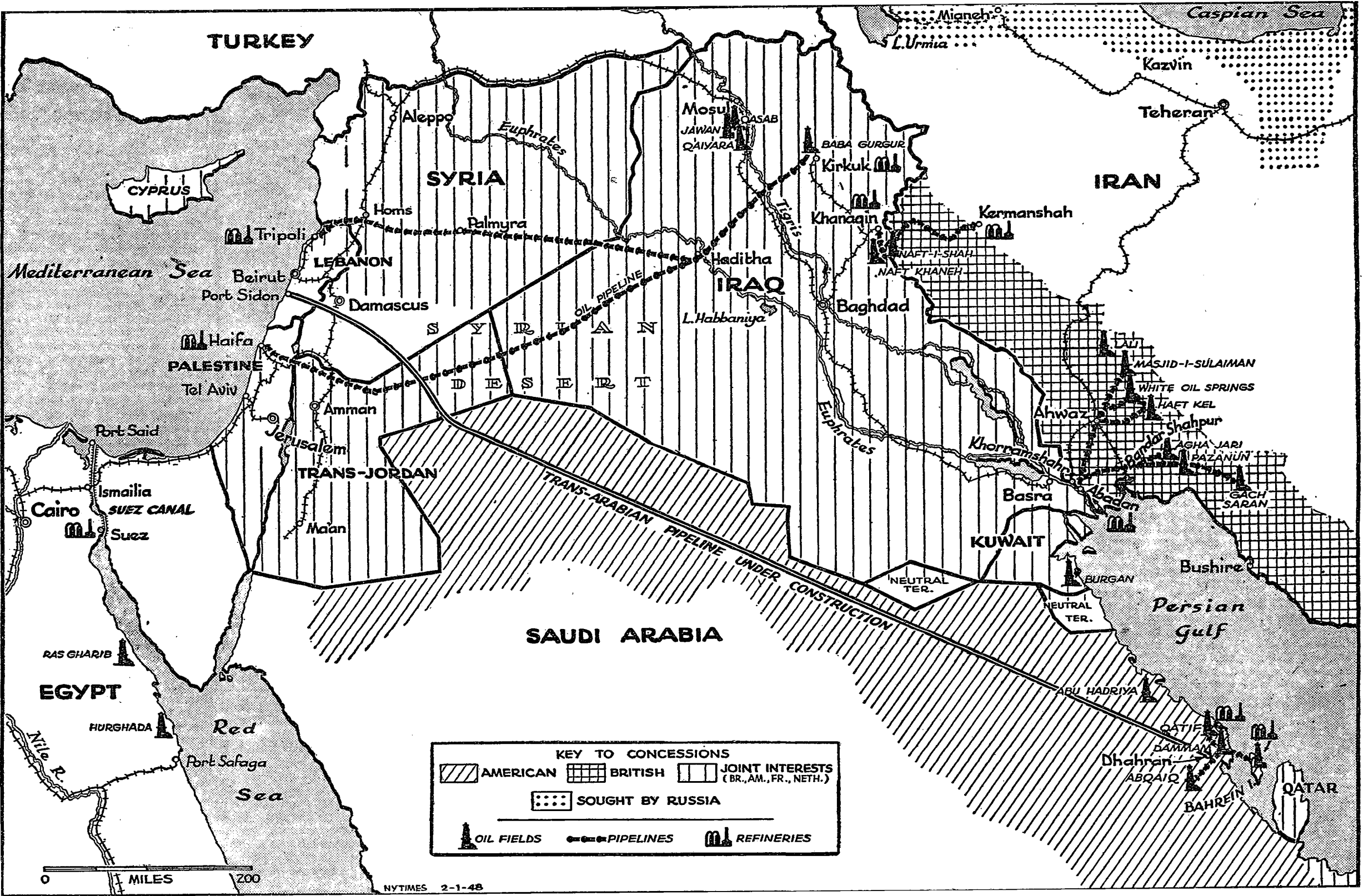


TRUMP CARD OF THE ARABS: THE OIL LANDS OF THE MIDDLE EAST



The Middle East has proved reserves of over 27 billion barrels out of a world total of 67 billions. The area's daily production in 1947 has been estimated at 568,000 barrels, compared with 5,100,000 for world.

MIDDLE EAST'S OIL
CAUSE OF CONCERN

Arab Hostility Threatens to Interfere With Development of Rich American Resources

By DANA ADAMS SCHMIDT
Special to THE NEW YORK TIMES.

DAMASCUS, Jan. 31—The big overriding United States interest in the Middle East is oil. Recently much has been heard about the trans-Arabian pipeline which was supposed to be finished early in 1950, but is being held up by the failure of the Syrian Parliament to ratify the transit agreement.

This pipeline project, 1,034 miles long from the vicinity of Dhahran on the Persian Gulf to Sidon in Lebanon, is backed by Aramco, biggest of the United States oil combinations in the Middle East. Aramco is composed of the Standard Oil of New Jersey, Standard Oil of California, Socony-Vacuum and the Texas Company. In Saudi Arabia, Aramco controls what are probably the richest oil fields in the world.

In addition, there is the Middle East Pipeline Company, in which Standard Oil of New Jersey and Socony-Vacuum have a 40 per cent interest, while the Anglo-Iranian Company (controlled by the British Admiralty) has the other 60 per cent. This combination of companies plans a pipeline from Iran and Kuwait to a point on the Syrian coast above Tripoli some time in 1952.

Gulf Refining shares with British-controlled Shell in another project to build a pipeline from Kuwait and Qatar to the Mediterranean coast. Finally, Standard Oil of New Jersey and Socony-Vacuum each have 11.375 per cent interest in the Iraq Petroleum Company, which is now doubling the only existing Middle East pipeline from Kirkuk to Haifa in Palestine. Iraq Petroleum is dominated by British Shell and the Anglo-Iranian companies.

Supplement to U. S. Supply

The importance of all this oil to the United States is that, once it starts flowing, it will ease the shortage in the United States by relieving the Western Hemisphere of the necessity of providing oil for the Eastern Hemisphere, which it is now doing at the rate of 800,000 barrels daily. It will at the same time prevent the rapid exhaustion of United States oil reserves and make an important contribution to the Marshall Plan—some experts say a decisive one—by providing Europe with a new source of fuel.

Apart from the positive uses to which this oil may be put by the United States and the western world, it must also be borne in mind, first, that one of the first Russian objectives in any new world war would be to seize the oil fields for her own use and, second, that the area around the head of the Persian Gulf would be eminently suitable for air bases from which to attack the Russian oil fields and refineries at Batum and Baku.

But the passions aroused by the Palestine conflict may eventually interfere with the exploitation of

the oil fields as well as the construction of the pipelines. As the overthrow of the Iraq Government this week showed, the Governments of Arab states must at this stage in history take militant nationalist public opinion into careful consideration or suffer the consequences. This public opinion is not what Americans are accustomed to but is rather the expression of dynamic religious and pan-Arab groups through an inflammatory and usually irresponsible press and through mob action. But it has nonetheless become more powerful than ever before in this part of the world.