

Arab Oil Remains Potent Weapon in Palestine Dispute

CAIRO, July 9 (AP)—Talk of United Nations sanctions against the Arab nations to make them stop fighting the new state of Israel revived speculation today on what use the Arabs may make of their most potent weapon—oil.

Always present is the Arab threat to suspend the flow of oil to the United States and the European Recovery Program. The present state of world tension makes the weapon even more potent.

Saudi Arabia alone is the largest single supplier of oil for the U. S. Navy. That makes King Ibn Saud a big question mark of the Middle East.

Ibn Saud now receives more than \$20,000,000 a year in royalties on 400,000 barrels a day produced by the American-owned Saudi Arabian Oil Company. A year ago most Americans believed he would not give up this income for the sake of Palestine because he needed—and still needs—American dollars. Since then, however, Arab feeling has heightened. Ibn Saud recently entertained his old enemy, King Abdullah of Trans-Jordan, and they pledged all possible means toward Arab victory in Palestine.

The Middle East as a whole is due to provide some 119,000,000 barrels of oil for the European Recovery Program this year. In 1951 the area is relied upon to supply 320,000,000 barrels for European recovery.